



## Polar Capital Funds plc

Annual Report and Audited Financial Statements  
For the year ended 31 December 2023



## Contents

<b>Business Review</b>	<b>01</b>	Statement of Financial Position	158
Investment Manager's Reports	01	Comparative Statement of Financial Position	162
<i>Artificial Intelligence Fund</i>	01	Statement of Comprehensive Income	166
<i>Asian Stars Fund</i>	03	Comparative Statement of Comprehensive Income	170
<i>Biotechnology Fund</i>	05	Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	174
<i>China Stars Fund</i>	10	Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	176
<i>Emerging Market ex-China Stars Fund</i>	12	Statement of Cash Flows	178
<i>Emerging Market Stars Fund</i>	13	Comparative Statement of Cash Flows	182
<i>European ex UK Income Fund</i>	15	Notes to the Financial Statements	186
<i>Financial Credit Fund</i>	16	Statement of Significant Portfolio Movements (unaudited)	338
<i>Financial Opportunities Fund</i>	18	Appendix I – UCITS Remuneration Disclosure (unaudited)	365
<i>Global Absolute Return Fund</i>	19	Appendix II – Securities Financing Transactions Regulation (unaudited)	366
<i>Global Convertible Fund</i>	23	Appendix III – Sustainable Finance Disclosure Regulation (unaudited)	368
<i>Global Insurance Fund</i>	27	<i>Artificial Intelligence Fund</i>	368
<i>Global Technology Fund</i>	30	<i>Asian Stars Fund</i>	382
<i>Healthcare Blue Chip Fund</i>	35	<i>Biotechnology Fund</i>	403
<i>Healthcare Discovery Fund</i>	37	<i>China Stars Fund</i>	419
<i>Healthcare Opportunities Fund</i>	39	<i>Emerging Market ex-China Stars Fund</i>	429
<i>Japan Value Fund</i>	42	<i>Emerging Market Stars Fund</i>	449
<i>North American Fund</i>	45	<i>European ex UK Income Fund</i>	472
<i>Smart Energy Fund</i>	47	<i>Financial Credit Fund</i>	483
<i>Smart Mobility Fund</i>	49	<i>Financial Opportunities Fund</i>	493
<i>UK Value Opportunities Fund</i>	50	<i>Global Absolute Return Fund</i>	503
Report of the Directors	52	<i>Global Convertible Fund</i>	512
Report of the Depositary to the Shareholders	55	<i>Global Insurance Fund</i>	521
<b>Financial Statements and Notes</b>	<b>56</b>	<i>Global Technology Fund</i>	536
Independent Auditor's Report	56	<i>Healthcare Blue Chip Fund</i>	550
Portfolio Statements	58	<i>Healthcare Discovery Fund</i>	564
<i>Artificial Intelligence Fund</i>	58	<i>Healthcare Opportunities Fund</i>	579
<i>Asian Stars Fund</i>	62	<i>Japan Value Fund</i>	595
<i>Biotechnology Fund</i>	66	<i>North American Fund</i>	604
<i>China Stars Fund</i>	70	<i>Smart Energy Fund</i>	616
<i>Emerging Market ex-China Stars Fund</i>	73	<i>Smart Mobility Fund</i>	629
<i>Emerging Market Stars Fund</i>	76	<i>UK Value Opportunities Fund</i>	641
<i>European ex UK Income Fund</i>	80	Management and Administration	655
<i>Financial Credit Fund</i>	83		
<i>Financial Opportunities Fund</i>	88		
<i>Global Absolute Return Fund</i>	92		
<i>Global Convertible Fund</i>	99		
<i>Global Insurance Fund</i>	111		
<i>Global Technology Fund</i>	120		
<i>Healthcare Blue Chip Fund</i>	127		
<i>Healthcare Discovery Fund</i>	131		
<i>Healthcare Opportunities Fund</i>	135		
<i>Japan Value Fund</i>	139		
<i>North American Fund</i>	144		
<i>Smart Energy Fund</i>	148		
<i>Smart Mobility Fund</i>	151		
<i>UK Value Opportunities Fund</i>	154		

Use these icons to move to the previous or next page



Use this button to return to the contents

This icon indicates that the section or statement continues overleaf



## Investment Manager's Reports

For the financial year ended 31 December 2023

### Artificial Intelligence Fund

Polar Capital's Automation and Artificial Intelligence Fund was renamed the Polar Capital Artificial Intelligence Fund in the middle of 2023, reflecting the fact that AI has become the dominant theme in the portfolio.

#### Fund Performance

The Fund NAV returned 37.8% (Class I US Dollar Accumulation Shares) in 2023, compared to its global equity benchmark, the MSCI All Country World Net Total Return Index, which returned 22.2% (in dollar terms).

The Fund performed well against the benchmark after a challenging 2022. Macroeconomic conditions improved and the public release of ChatGPT at the end of 2022 brought the transformational power of artificial intelligence ('AI'), and generative AI in particular, to the wider attention of corporations, consumers and investors. The first commercial applications were launched in 2023 and both excitement and momentum built throughout the year as research and development accelerated. Early feedback from technology adoption has supported hopes for widespread, AI-driven corporate productivity gains as a long-term driver for economic growth.

In line with previous major technology innovation waves, the enabling technologies attracted most of the initial investment, specifically the companies that built the infrastructure underpinning initial rollouts and further development. The intensive computational requirements of AI workloads and the greater ability of parallel processing power to handle these tasks led to an extremely high demand for graphics processing units ('GPUs') and associated workflows. Data centre GPU capacity was rapidly built out to cater for the explosion in demand. Correspondingly, companies associated with leading-edge chip development performed well during the period. Areas such as advanced packaging attracted significant demand and investor attention. As a result, companies that contribute to the enablement of AI dominate our top positive contributors to relative performance.

Beyond the enabling technologies, the first corporate generative AI applications emerged towards the end of the year. We believe 2023 represented the inflection point for AI as a broadly applicable 'general purpose technology' that will impact all sectors and businesses in some form. While many companies discussed AI during the year, we are still in the very early stages of widespread AI application development and distribution. Companies that have been able to showcase and deliver the first AI applications addressing real-world problems and profit pools, particularly those able to demonstrate efficacy and proof points of their value, have benefitted from positive multiple re-ratings. Investors look to these products to contribute to revenue and profit growth in 2024 and beyond. Stocks that were major negative contributors to relative performance resided mainly in the AI applications subsector. However, they were not linked by any one theme or industrial exposure. Instead, they faced company-specific reasons for underperformance.

The top five contributors relative to the benchmark during the year were NVIDIA, Advanced Micro Devices (AMD), Disco, CrowdStrike and ASM International. The bottom five were Apple (not held), Emerson Electric, DexCom, UnitedHealth Group and Tesla.

#### Market Review

After a strong close to the year, the MSCI All Country World Net Total Return Index returned 22.2% in 2023, while the S&P 500 and the DJ Euro Stoxx 600 indices returned 26.3% and 20.5% respectively, all in dollar terms. AI excitement and positive revisions turbocharged the 'Magnificent Seven' group of technology stocks, which returned +107%, led by NVIDIA (+239%) and Meta Platforms (Facebook) (+194%). This extraordinary group of companies was helped by a low starting point, having fallen 39% in 2022, delivered strong positive earnings revisions (for example, NVIDIA's P/E ratio declined from 35x to 24x during the year despite the stock's advance), and were perceived as early beneficiaries of AI by investors.

2023 was a better-than-expected year for risk assets. The inflation and interest rate shocks of 2022 did little to upset global 2023 economic growth or the strong labour market and consumer spending that underpinned it, although there was significant market turmoil in March when three US regional banks failed and Credit Suisse collapsed, forcing policymakers to intervene. However, excitement about AI supported the largest technology companies, especially following NVIDIA's breakout May quarter. Inflation then ultimately trended down as supply-side disruptions ameliorated, and the labour market normalised without a significant increase in unemployment. Also, the bond market nevertheless sold off during the summer as investors priced in the Federal Reserve's (the "Fed") message that interest rates would be "higher for longer," with the US 10-year Treasury yield peaking at 4.99% in October. New geopolitical risks followed Hamas' attack on Israel in October, compounding heightened political risk from Russia's invasion of Ukraine and existing tensions around Taiwan.

A sharp pullback in rates beginning in late October spurred a significant cross-asset rally into year-end. This was buoyed by favourable seasonal trends and investors growing hopeful about a soft economic landing (where inflation comes down without a significant increase in unemployment) and rate cuts in 2024, following the dovish commentary from Fed policymakers and supportive inflation data. The US 10-year Treasury yield closed at 3.87%, flat year-on-year. It was a positive year for most financial assets, but in several cases the gains were almost entirely driven by the final two months of the year.

Data released in December suggested the US economy remained resilient but continues to cool. Non-farm payrolls indicated 199,000 jobs were added in November, up from 150,000 in October and above forecasts of 180,000, but this was the second consecutive month with job additions below the average monthly gain of 240,000 over the past year.



## Artificial Intelligence Fund continued

### Market Review continued

The US Consumer Price Index ('CPI') increased 0.1% month-on-month in November (slightly above forecasts for an unchanged reading) as higher shelter costs offset a decline in the gasoline index. However, the annual inflation rate was in line with market forecasts, slowing to 3.1% year-on-year, the lowest reading in five months. Core CPI, which excludes volatile items such as food and energy, was unchanged at 4% year-on-year, a two-year low.

Benign inflation data supported the Fed's decision to keep the Fed funds rate steady at 5.25–5.5% for a third consecutive meeting in December, in line with expectations. The committee noted that 'inflation has eased over the past year' and now projects 75 basis points ('bps') of rate cuts in 2024 (up from 50bps at the September update). Fed Chair Jerome Powell's press conference was perceived as particularly dovish, noting that while the Fed would like to see more progress on inflation, policymakers had a 'preliminary' discussion about how long to hold rates before cutting (and that he expects to discuss this further), as well as acknowledging the risk of staying too tight for too long. Markets took this as a signal that the Fed had completed its hiking cycle, and began to price the first cut in March 2024.

### Fund Activity

New positions during the year included London Stock Exchange Group, Wolters Kluwer, Tesla, Schlumberger, Publicis Groupe, Advantest, Netflix, Unimicron Technology, Meta Platforms (Facebook), Quanta Computer, Minebea, Datadog, Snowflake, Lite-On Technology, Spotify Technology, Eaton, Kokusai Electric, Trade Desk, MEC, Evotec, Nitto Boseki, MongoDB and Oxford Nanopore Technologies.

There were a small number of stocks where we opened and closed a position within the year. Ansys suffered from unexpected US restrictions on selling to certain Chinese customers, which fundamentally changed the investment case. Tencent was an AI-driven cloud acceleration buy that came under pressure as sentiment towards Chinese assets deteriorated sharply, while Micronics Japan was a successful outperformer through the course of the year before we pivoted to other, less expensive semiconductor-related exposure.

We closed positions in UnitedHealth Group, MSCI, Veeva Systems, Alibaba Group Holding, DexCom, Sandvik, FANUC, Renishaw, BYD, Kone, Farfetch, MercadoLibre, Adyen, Infineon Technologies, Thermo Fisher Scientific, Nabtesco, Teradyne, Aspen Technology, Square, Meituan Dianping, and Hamamatsu Photonics.

### Market Outlook

As we look ahead through 2024, the investment landscape presents a multifaceted tapestry of prospective opportunities and potential challenges. The exuberant rally seen during the latter half of 2023, fuelled by anticipation of interest rate reductions, may yield to a period of near-term consolidation.

While macroeconomic anxieties have demonstrably abated compared to the earlier months of 2023, the corresponding rise in optimism regarding a soft landing necessitates vigilance in the face of potential surprises. Although we harbour a well-founded confidence that the most severe macroeconomic headwinds for growth equities have likely passed, navigating potential future disruptions remains an imperative.

Geopolitical uncertainties continue to cast a shadow, with tensions in Ukraine, Israel and the Middle East demanding close attention. Additionally, the trajectory and ultimate strength of China's economic recovery remain shrouded in ambiguity, although we anticipate a modest improvement which would indirectly impact various sectors.

The dominance of mega-cap technology companies in 2023, spearheaded by the Magnificent Seven, yielded exceptional returns. However, December saw a welcome return to market breadth, with small-cap companies outperforming their larger counterparts. While we maintain unwavering confidence in the fundamental outlook for mega-cap technology, driven by ongoing AI-powered earnings momentum, we deem it unlikely that such a singular performance will be replicated. Instead, we posit that companies demonstrating previously underappreciated earnings potential will lead the charge, with widespread AI adoption unlocking this latent power across diverse industry segments.

The AI revolution demonstrates no signs of slowing down. Innovation continues to accelerate, enhancing capabilities, lowering costs and democratising access. Developments such as smaller language models and alternative model architectures exemplify this trend, aiming to reduce training and inference expenses, thereby making AI more readily available.

If 2023 was marked by corporate awareness and burgeoning interest in AI, 2024 promises to be the year of widespread adoption. Early generative AI tools have garnered positive feedback, igniting excitement. The AI stack continues its rapid expansion, ensuring sustained demand for the infrastructure layer. However, our focus shifts towards identifying and investing in promising AI applications across various industries and diverse use cases. Morgan Stanley data underscores this point, revealing that 33% of chief information officers anticipate their initial AI deployments in the second half of 2024, a figure with potential for further upward revision. While the enabling technologies of AI remain a fertile ground for investment, unearthing the most impactful applications and beneficiaries, particularly beyond the confines of the technology sector, presents the most alluring opportunities.

### Technology Team

#### Polar Capital LLP

January 2024



## Asian Stars Fund

### Fund Performance

In 2023, the Fund (Class I US Dollar Accumulation Shares) returned 8.3%, outperforming the MSCI All Country Asia ex Japan Net Total Return Index benchmark by 2.3% (all figures in dollar terms).

It was a year of three phases, starting well from the beginning of January until more or less 1 April. This was a combination of small but positive views of inflation easing, growth picking up and a significant recovery in China. With this last point in mind, we had been adding capital back into China at the end of 2022, though we had a stronger view on an earnings recovery than a macroeconomic recovery. From around March, we had strong AI stories, driven by NVIDIA, that started to support the Asian technology sector though mostly with the view that this would fast-track the inventory cycle.

From April, China started to show weaker than expected macroeconomic data and, combined with ongoing geopolitics, this led to an extended period over the summer and most of the autumn when China started to sell off. The narrative moved towards whether it was investable (as had been the case in 2022). China did, of course, as has been the case for many years, play a key role for sentiment within Asia as well as in emerging markets ('EMs') overall. Over this time period we changed our positioning in China, reducing our overall exposure and concentrating our holdings in high quality companies that we believed had potential earnings upside over the medium term.

During the summer, we also started to see many EM Asian countries perform well on the back of attractive fundamentals as well as capital from China looking for a new home. However, most had a difficult September and October as more or less everything was about the 'higher for longer' debate on US interest rates, which killed the mood somewhat for EMs. At the same time, the 'Magnificent Seven' took all the headlines.

The third phase started in November with, in our mind, clear confirmation that inflation was rolling over and the labour market was getting weaker, followed by the de-facto Fed pivot that quickly led to a significant reduction in the 10-year Treasury yield. This was an extremely fast run-down for EMs, including those in Asia, in 2023.

Our outperformance was primarily driven by good stock selection, though our asset allocation effect was also positive. We had particularly good stock selection within India and the real estate and technology sectors where our large overweight was a positive contributor. On the negative side, China was a problem for the Fund. In general, we have been significantly underweight in China, which has worked well, although our stock selection was weak. We also saw significant pressure on anything related to renewable energy through weak sentiment around the energy transition and lower demand for electric vehicles. This was alongside higher interest rate costs having a larger negative impact on these relatively new business models, which led to underperformance in these areas.

We believe we are at the start of a new technology upgrade cycle, with AI playing a key role. We went into 2023 overweight in technology and this has worked well from a return perspective. AI's development in terms of opportunity set and potential size has positively surprised us, resulting in us making changes to our technology exposure.

### Market Review

Much of the negative narrative from 2022 maintained a negative impact on Asian equities for which there were two massive overhangs: US inflation (10-year yields) and China. In our view, this has led to value performing better than growth as an investment style. Geopolitics has also been a perceived risk factor. The US has seen a strong technology market, driven by the 'Magnificent Seven', and although Asia has not had the same direct driver, technology stocks in North Asia have performed well on the back of the broader technology trend centred on AI and the related semiconductor value chain. The Fund has been well positioned for this development trend and gained strong relative performance as a result. India has performed very well and the Fund has been well positioned and has also seen good relative performance.

As mentioned above, the real drag on relative performance has been China for most of the year, with stocks being aggressively dumped by international and local investors. We believe the Fund's exposure to China is very much in the highest quality companies but that has not been able to protect returns. We lost relative performance in China, which was a drag on the Fund's performance in 2023.



## Investment Manager's Reports continued

For the financial year ended 31 December 2023

### Asian Stars Fund continued

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#### Fund Activity

The main activity has been to add new technology stocks as well as a few new companies in India. These trading activities have, in general, been successful in adding to the Fund's relative performance.

During the early part of the year we saw a high likelihood of China fundamentally improving so we reallocated capital there, coming from a large underweight. However, as this scenario did not play out – driven by policy mistakes by the Chinese leadership, in our view – we trimmed our exposure.

Some of that capital went into technology and India, but also we added to Indonesia as well as taking off-benchmark exposure in Japan and Australia given the attractive stock opportunities we see there.

#### Market Outlook

We maintain a constructive outlook for the Fund and believe we are holding a portfolio of strong, high quality companies that are very attractive relative to their fundamentals. We also believe many of our portfolio holdings have been hit unjustifiably hard by panic around the stickiness of inflation and geopolitics. We see things turning around significantly, driven by the US monetary cycle and China easing off on geopolitical tensions. We see the emergence of a new, large investment cycle coming into the asset class and that should, in our view, also drive a strong earnings cycle. We believe de-dollarisation will be a big boost for all EMs.

We have a very constructive and positive outlook for the Fund. Our high quality, underlying companies are well exposed to strong growth dynamics and we believe they are mispriced.

#### Emerging Markets and Asia Team

##### Polar Capital LLP

January 2024



## Biotechnology Fund

### Fund Performance

The Fund (Class I US Dollar Distribution Shares) returned 15.9% in the 12 months to the end of December, ahead of the NASDAQ Biotechnology Net Total Return Index ('NBI') benchmark's 4.3%, for a relative outperformance of 11.6%. The biotechnology sector underperformed the broader market, with the S&P 500 Total Return Index returning 26.3% over the year (all figures in dollar terms).

The year was marked for many investors by a perplexing and frustratingly strong performance for the major equity indices. Tightening macroeconomic conditions, including persistently high inflation figures and the Fed continuing to raise interest rates in the face of wobbling economic indicators, were brushed aside as investors scrambled to offset cautious tactical positioning to try and chase the momentum behind assets perceived to be current and future beneficiaries of AI technologies. Certainly, the 'crowding out' effect of risk capital flowing preferentially into a handful of the largest and best known technology leaders – the 'Magnificent Seven' – made it almost impossible for other relatively long-duration and/or higher risk equity assets to generate materially positive performance. The fade in longer-duration equity assets, including biotechnology, persisted all year, culminating with the surge in 10-year Treasury yields in September and October. This was followed by a softer-than-expected inflation print in early November that drove a violent rebound in risk assets into year-end as the market began to price in earlier-than-expected cuts to interest rates by the Fed in 2024.

We feel that within the biotechnology sector, fundamental news flow in the form of clinical trial results and regulatory decisions, as well as mergers and acquisitions (M&A) activity, while as ever mixed, on the whole started to trend more positively again over the course of the year. Indeed, by year-end, 55 new medicines had been approved by the Food and Drug Administration (FDA) in the US. However, the market remained unforgiving, with those companies failing to deliver pristine clinical trial results, reporting unexpected clinical trial results delays or extended timelines for regulatory interaction continuing to see outsized moves to the downside in their share prices. On the other hand, the hit to specialist investor confidence in March with the rapid collapse of Silicon Valley Bank (SVB) – perhaps the main depositor bank for the life sciences start-up community in the US – was remarkably short-lived.

The Initial Public Offering ('IPO') market for biotechnology companies was essentially closed during 2023, with only a handful of companies successfully launching. Those that did experience mixed fortunes, and the secondary follow-on market was perhaps best described as 'robust but discerning', with capital increasingly crowding into recently de-risked stories and situations, typically those recently announcing provocative clinical trials results for new drug candidates. The main debate for investors over the year seemed to centre on M&A prospects for companies in this area, with investors well aware of the looming wave of patent expirations challenging the growth and profitability outlooks for the majority of the larger pharmaceutical and biotechnology companies. With the cadence of M&A activity seemingly picking up towards the end of the year, the strong rally in the sector late in 2023 perhaps has as much to do with speculation about ongoing M&A activity in 2024 as it does with the moderating of the macroeconomic headwinds that have pressured the sector for the past several years.

### Market Review

The new calendar year started surprisingly constructively with higher risk assets seeing a sustained bid throughout January. Leading the gains were names that appeared to be those that bore the brunt of tax-loss selling in late 2022 as well as heavily shorted thematic and deeply unprofitable companies, both categories favoured for more speculative retail investor interest, suggesting a lower quality trading dynamic, rather than material institutional re-engagement with higher risk assets. That said, the biotechnology sector offered investors constructive fundamental news flow at the start of the year with a handful of bolt-on acquisitions of small-cap companies, as well as positive fundamental news flow updates. Fund portfolio companies Deciphera Pharmaceuticals, Day One Biopharmaceuticals and Pliant Therapeutics were included, which we felt showed a cautious positivity towards this area.

The early year strength shown in higher risk assets evaporated in February as institutional capital faded in the face of renewed macroeconomic concerns and uncertainty. In particular, this was driven by signs that inflation in the US seemed stickier and more pernicious than investors had hoped, suggesting the Fed needed to continue raising interest rates further. Against this backdrop, the biotechnology sector performed relatively well despite an uninspiring quarterly earnings season for the larger commercial-stage biopharmaceutical companies, with frequently negative stock reactions indicating relatively crowded short-term positioning. With a widely held perception that the biotechnology sector had bottomed out, it felt as if investors were re-establishing a more speculative attitude but, with their focus increasingly confined to a relatively few fashionable names, valuations again started to become frustratingly distorted.



## Biotechnology Fund continued

### Market Review continued

In March, following a wobbly start, broader equity markets seemed to firm up modestly over the balance of the month, though observers were hard-pressed to find a clear explanation. The biotechnology sector continued to struggle on a relative basis, with strength found among the larger-cap later-stage commercial names. The failure of Silicon Valley Bank ('SVB') seemed to catch the biotechnology industry and its start-up financing community by surprise; we feel it was only the quick intervention from the Fed that averted a potential liquidity run on earlier-stage unprofitable listed biotechnology companies, even though fundamental exposure to SVB's collapse through an inability to access cash deposits was immaterial in nature. Fundamental progress turned more mixed, with some surprising setbacks for popular specialist investments doing little to settle nerves and inspire confidence; it felt like investors continued to take liquidity from portfolios when available. Not even the confirmation of Pfizer's acquisition of Seagen for \$43 billion ('bn') early in the month seemed able to lift investor sentiment.

Despite widespread prevailing gloom and nervousness, in April broader equity markets seemed able to hold on to March's gains, perhaps more due to enthusiasm for early earnings reports from high profile consumer discretionary technology companies than any comfort developing on the broader macroeconomic picture. We feel that lingering investor nervousness that more cracks might begin to appear in the financial sector following the failure of SVB, with the Fed committed to its rate-tightening path, left risk appetite precariously balanced. An odd impasse seemed to have developed for the biotechnology sector where investors recognised the value that had emerged following the post-pandemic drawdown, particularly among early-stage unprofitable companies. However, despite continued M&A activity over the month – including for two Fund portfolio companies, Prometheus Biosciences (\$11bn acquisition by Merck & Co) and BELLUS Health (\$2bn acquisition by GlaxoSmithKline) – institutional capital seemed reticent to reallocate exposure materially to this area.

The broader market index again held relatively firm during May. However, the increasing narrowness of performance – driven mostly by a handful of consumer technology and semiconductor companies perceived by investors as ways to gain exposure to all things AI-themed – in our view reflects a continued erosion of risk appetite and liquidity beneath the surface. This is an uncomfortable state of affairs as the equity market prepares for further tightening of liquidity in the wake of the resolution of the US government debt ceiling issue.

Softness for the biotechnology sector over the month reflected, in our view, the larger established biotechnology companies being used, like other more defensive components of healthcare, as a source of funds for the AI momentum chase, but also a continued reticence of institutional capital to reallocate exposure materially here more generally. What positive performance there was over the month was patchy and mostly attributable to short squeezes among the lower quality, more speculative stories.

June continued May's trend with forward momentum of the broader market driven mostly by a handful of consumer technology and semiconductor companies. The defensive healthcare sector, including pharmaceutical and the larger commercial-stage biotechnology companies, continued to be used as a source of funds for still-cautious investors becoming more panicked about missing out on the broader market rally. With fundamental clinical development and regulatory news flow again mixed among specialists' favourite and higher-profile small and mid-cap biotechnology companies, June was a tricky month for dedicated biotechnology investors to navigate. More broadly, it feels like two big themes of AI and, within healthcare, obesity (in the context of two medicines being sold for weight loss by Novo Nordisk and Eli Lilly), continued to suck a lot of the oxygen from the room with respect to investor willingness to contemplate new growth opportunities elsewhere. Even continued M&A activity – during the month portfolio company Chinook Therapeutics was acquired by Novartis for \$3.5bn – seemed incapable of supporting anything more constructive.

While the biotechnology sector kept pace with the broader market moving higher for most of July, the final week saw notable 'de-grossing' trading activity (buying back short positions while selling down long positions) by long/short hedge funds adversely affect the relative performance of the sector, particularly where the major benchmark indices (as well as long-only global strategies) typically reflect the higher quality/less speculative equity stories. A major setback to a high-profile biotechnology product launch story, with Apellis Pharmaceuticals confirming reports of a handful of serious, rare side-effects in patients recently receiving injections of their newly launched medicine Syfovre to treat progressive vision impairment, caught many investors (including ourselves) off guard. For the Fund, this represented a material driver of relative underperformance in the month.



Notwithstanding seasonally low trading volumes, a risk-off mood seemed to descend on equity markets during August, perhaps with renewed investor nervousness over the Fed's ability to pull off what appears to be a soft landing for the US economy (as opposed to the hard landing or recession that was the widespread fear at the start of the year) with consistently better-than-expected economic data, threatened by still-sticky inflation and the Fed's recent 'higher for longer' messaging on interest rates. For the biotechnology sector, dedicated investors appeared to have already thrown in the towel in the previous month and, apart from a handful of specific situations, trading activity and news flow seemed particularly light. With dedicated biotechnology investors struggling to consistently be on the right side of some major (often widely excessive) stock moves this year, it felt like we were entering the final (and traditionally positive) few months of the year punch drunk and weary.

While the larger pharmaceutical and biotechnology companies caught a modest defensive bid in September, long-duration, higher risk equity assets faded across the board in the face of the move higher in the US 10-year Treasury yield as investors continued to think higher for longer about US interest rates. Dedicated biotechnology investor sentiment continued to erode with the combination of persisting (and at the margin perhaps re-intensifying) macro market headwinds and tricky (crowded positioning) setups into and through the usual risk events of clinical trials read-outs, regulatory reviews and M&A activity. Day-to-day share price volatility across the biotechnology spectrum continued to be elevated, capricious and often difficult to rationalise, making life difficult for dedicated specialist biotechnology investors.

The last remaining traces of constructive sentiment towards biotechnology seemed to evaporate in October, with seasonal tax-loss selling dynamics intensifying into the financial year-ends for many US-based mutual funds. Dedicated biotechnology investor sentiment descended from despondency to despair as investors continued to struggle to find any way to make forward progress. Towards the end of the month, we heard anecdotal reports of fund closures adding to downward pressure on share prices.

Everything changed in November with a dramatic risk-on pivot for equities, catalysed by a softer-than-expected headline inflation figure early in the month. This stoked expectations for the Fed to make its first cut to interest rates perhaps earlier rather than later in 2024, reversing months of intensifying broader market risk-off sentiment. Along with a handful of M&A deals within the biotechnology sector, this all combined to drive another 'squeeze' trading dynamic, with underweight/short positioning combined with continued relatively low liquidity driving outsized moves higher. Exemplifying the magnitude of the pivot, the smaller-cap focused biotechnology index, the SPDR S&P Biotech ETF ('XBI'), gained 14.0% in November, more than erasing the previous month's slump.

The year ended strongly in December as November's risk-on pivot, catalysed by a softer-than-expected headline inflation figure and expectations for interest rate cuts in 2024, morphed into a sustained surge in long duration equity risk assets into year-end. Continued M&A activity, with both AbbVie and Bristol-Myers Squibb each making two multi-billion dollar acquisitions in quick succession, drove strong performance for the sector adding momentum to November's trading dynamic. This saw underweight/ short positioning combined with continued relatively low liquidity driving outsized moves higher, particularly across names that are widely perceived to be M&A targets. The S&P Biotechnology Select Industry Index gained 18.3% in December, adding to the previous month's similarly substantial gain.

## Fund Activity

The Fund (Class I US Dollar Distribution Shares) outperformed the benchmark, the NASDAQ Biotechnology Net Total Return Index, by 11.6% over the year. While the Fund started the year positioned relatively defensively, with a continued bias towards larger diversified earnings and revenue growth stage companies, this evolved as we started to see more interesting new opportunities among clinical development and technology platform companies. This more risk-on positioning served the Fund well in the final two months of the year with the strong bounce in the performance of the sector from the October lows.

While the biotechnology sector materially underperformed the broader market as measured by the S&P 500 Index, and barely managed to post a positive absolute return for the year, the Fund delivered more material absolute and relative performance versus its NBI benchmark. On balance, correct top-down positioning that evolved over the course of the year was complemented by good bottom-up stock-picking, with relative performance again benefiting, on the whole, from avoiding the relative underperformance of some of the major benchmark constituents as well as a handful of M&A exits.

The acquisitions of six Fund investments were announced during the year: Seagen/Pfizer, Prometheus Biosciences/Merck & Co, BELLUS Health/GlaxoSmithKline, Chinook Therapeutics/Novartis (as above); in November, ImmunoGen announced its acquisition by AbbVie for \$10.1bn and, in December, Karuna Therapeutics announced its acquisition by Bristol-Myers Squibb for \$14bn.



## Biotechnology Fund continued

### Fund Activity continued

Material positive developments elsewhere included positive clinical trial news flow for Deciphera Pharmaceuticals (in gastrointestinal cancer) and Pliant Therapeutics (in lung fibrosis), as well as for Biomea Fusion, who announced provocative early clinical data for a new medicine for diabetes. Zealand Pharma's portfolio of cardiometabolic medicines, including some potentially competitive in the exciting new field of weight loss medicines currently being led by Novo Nordisk and Eli Lilly, also attracted investor attention. The same went for MoonLake Immunotherapeutics, whose share price performed strongly in anticipation of the first material clinical data for their drug candidate for a rare but serious dermatological condition called hidradenitis suppurativa. Argenx announced better-than-expected clinical trial results for their approved medicine Vyvgart in a new autoimmune indication that could materially increase the commercial potential for the drug. Rhythm Pharmaceuticals and Blueprint Medicines both beat expectations for the commercial launches of new medicines in the rare obesity and immune spaces respectively. Late in the year, Vertex Pharmaceuticals announced strong early-stage clinical data on a new approach to the treatment of pain and Cytokinetics announced exciting clinical data for their new cardiovascular medicine, beating even the market's relatively high expectations.

Setbacks included a disappointing commercial launch for Arcutis Biotherapeutics, with their new topical medicine in the dermatology field, and the share price of NanoString Technologies, a leader in the exciting new research field of spatial biology, which continued to struggle on waning investor appetite for research tools, diagnostics and manufacturing companies generally, as well as an adverse judgement in a simmering intellectual property dispute with a competitor. Towards the end of the year, argenx suffered sequential setbacks with disappointing clinical data for their lead medicine in two further potential indications.

Generally, the share prices of the Fund's early-stage unprofitable clinical development-stage companies continued to struggle for most of the year (notwithstanding the significant recovery in November and December). The tricky macroeconomic backdrop for long-duration equity risk assets, a crowding out effect from the focus on AI and the lack of interest from healthcare investors to engage materially in anything outside the mega-TAM (total addressable market) obesity stories of Novo Nordisk and Eli Lilly were key factors. It took a reversal of the macroeconomic outlook in early November with the softer than expected CPI inflation figure for the market to acknowledge perhaps begrudgingly that behind the scenes, with clinical development generally going well, companies with stronger stories being well capitalised, and M&A activity beginning to pick up, fundamental value had been building across the biotechnology sector all year.

Portfolio turnover for the first part of 2023 continued to be relatively low by historical standards but started to pick up from mid-year as we started to dial in risk by increasing the number and weightings of earlier-stage companies. Active share versus the benchmark ended the period at 70%. Cash realisations from M&A were generally recycled into existing holdings, as well as new names typically on the back of de-risking clinical data demonstrating robust proof-of-concept for a company's approach. This was often in the context of material follow-on financing that removed a key operational risk for these types of company in the currently more discerning capital markets environment.

### Market Outlook

Despite the catalyst for the biotechnology sector's aggressive move higher in the last two months of 2023 being a shift in macroeconomic expectations for 2024, and being further fuelled by a burst of M&A activity and perhaps the aforementioned 'squeezey' trading dynamic on relatively thin seasonal trading volumes, we believe the recent price action has gone some way to alleviating the deeply negative investor sentiment towards the sector that had been building over the course of 2023. As we start the new year, while there is clearly the risk we have moved too far too fast, and that there may be a short-term moderation in what, perhaps, are overbought conditions, we believe the prospects for better absolute and relative performance for the biotechnology sector over the course of 2024 continue to improve. Notwithstanding the looming US presidential election in late 2024, and likely noise around the pharmaceutical industry and the US government negotiating the prices of the first medicines to fall under the framework of the Inflation Reduction Act, we believe the share prices of the larger pharmaceutical and biotechnology companies could perform better in 2024 as the market looks to their defensive growth profile in the context of a potentially softening economic outlook, which in turn would provide leadership for the broader biopharmaceutical ecosystem.

While we expect the usual relentless pace of clinical research updates and regulatory decisions to drive volatility in both share prices and investor sentiment, particularly given the competitive intensity of the biotechnology industry with the proliferation of powerful new drug discovery and development technologies in recent years, we believe continued M&A activity will again likely be one of the more important themes for investors during 2024. For the larger pharmaceutical and biotechnology companies facing an intensifying period of patent expirations on high margin branded products, deploying their substantial balance sheets (estimates vary between \$500bn to almost \$1 trillion ('trn') of collective business development/acquisition capability for the industry) will be important to both maintain earnings growth prospects, as well as relieve structural pressure on price-to-earnings multiples.



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For investors in high quality biotechnology companies with either new medicines in the late stages of clinical development, or new medicines early in their commercial launch, acquisitions could be an important source of returns and reward for the provision of more risk-tolerant capital.

Broader macroeconomic conditions probably still have an important part to play and the marginal improvement of quantitative monetary conditions through either interest rate cuts or quantitative easing in response to an easing inflation picture and potentially a softening economic growth outlook, are a prerequisite for the biotechnology sector to continue to perform. On a more fundamental level, the industry must continue to deliver on the Research & Development ('R&D') productivity promised by new drug discovery and development technologies. Perhaps what investors started to appreciate in late 2023 was that beneath the surface and the difficult capital market conditions for long-duration equity risk assets, fundamental news flow for the sector continued to trend positively with the basic building blocks for real tangible value creation – positive clinical trial data and positive regulatory decisions – continuing to steadily accumulate. While we believe the recent performance of the biotechnology sector goes some way to reflecting this steadily increasing fundamental value picture, as well as restoring the deep relative underperformance of the sector of the past few years, we believe this build-up of real and durable fundamental value continues to make the risk/reward profile of deploying capital behind the best people using the best technologies to develop the best new medicines very attractive for investors.

### Healthcare Team

#### Polar Capital LLP

January 2024



## China Stars Fund

### Fund Performance

In 2023, the MSCI China All Shares Net Total Return Index dropped 11.5% and the Fund's NAV (Class I US Dollar Accumulation Shares) declined by 17.1% (all figures in US dollar terms).

Chinese equities had a challenging time for much of 2023. Geopolitical tension, low consumer confidence and property woes all contributed. A negative feedback loop between weak consumer confidence and low business confidence led to low aggregate demand. Piecemeal stimulus largely failed to rekindle animal spirits. Since October, we have started to see encouraging signs that this period of poor performance is likely coming to an end, with a rising level of stimulus, more pragmatic policymaking and stabilising geopolitical risk.

Against this challenging backdrop, we are disappointed to see our portfolio of high-quality growth franchises did poorly in both absolute and relative terms. The top contributors to relative performance in 2023 were Pinduoduo ('PDD'), TSMC and China State Construction Development Holdings; the biggest relative detractors were Glodon, China Meidong Auto Holdings and JD.com.

PDD, an emerging leader in e-commerce in China and globally, benefits from consumers in China looking for better value for money in a weak economic environment and is taking a significant amount of market share. Its international business, Temu, is gaining very strong traction in the US and Europe. We have taken some profit after a strong run, but PDD remains a large position.

TSMC, the world's leading manufacturer of leading-edge semiconductors, was a key beneficiary of the growing enthusiasm and explosive growth in AI in 2023. After a destocking cycle, semiconductors are looking forward to another upcycle in 2024. TSMC is a large holding.

China State Construction Development Holdings, an exterior engineering solution provider, performed well during the year as it continued to deliver stellar growth and improved its profitability from successful restructuring. We have reduced the size of the position significantly as it approaches, in our view, its fair value. It is currently a small holding.

Glodon, a leading software provider at the forefront of digitising the whole process of designing, planning, building and managing buildings in the 21st century, did poorly as it fell victim to concerns about short-term cyclical growth. We still believe the industry recovery and continued scaling of its new businesses in construction cloud will drive long-term growth and margin expansion but short-term growth headwinds are likely to persist. We reduced our holding size and it is now a small position.

China Meidong Auto Holdings, a best-in-class luxury car dealership run by a great owner/operator, continues to perform poorly given a lack of short-term growth. With hindsight, its valuation was too high entering 2023 and we should have trimmed significantly more given the highly cyclical nature of its business. That said, investors should now look forward to its cyclical recovery in 2024. It is a small holding.

JD.com, an e-commerce platform which primarily serves the urban middle class, dropped materially as it went on a market share offensive in the low end of the e-commerce market. This was partly a defensive move, as it is worried that PDD is enjoying a dominant market position. We trimmed our holding size significantly given the changed competitive landscape despite the compelling valuation. It is currently a small position.

### Market Review

Chinese equities struggled to find a solid footing after a strong Covid opening rally in the first quarter of the year. The MSCI China All Shares 12-month forward earnings multiple contracted from 11x at the beginning of the year to 9.6x as the year ended, a 12% compression compared to the total index return of -11.5%. This derating was primarily driven by poor consumer and business confidence as policy stimulus underwhelmed.

### Fund Activity

During Q4 2023, there was only one notable change. We initiated a position in Samsonite International, a global leader in suitcases and travel bags with trusted brands like Samsonite and Tumi.

### Market Outlook

As we discussed above, since the start of Q4 2023, we have started to see encouraging signs of poor performance likely coming to an end, with rising stimulus, more pragmatic policymaking and stabilising geopolitical risk.

On stimulus, we were encouraged to see a swift and decisive change in October, as the government moved to widen its budget deficit to support growth. A Keynesian-style stimulus is needed to boost short-term aggregate demand to kickstart the economic engine.

On policymaking, the government has turned up its charm offensive on private enterprises to boost business confidence. While it will take time to translate pleasant rhetoric into sincere actions, this is a welcome sign after a much less business-friendly environment in the past five years.



On geopolitical tension and staying with the charm offensive, the icebreaking summit between Presidents Biden and Xi in November, and Xi's more conciliatory dinner speech to the US business dignitaries, offer reassurance on the manageability of geopolitical risk.

At the investment level, three themes stand out: the consumption recovery, an emergence of Chinese multinationals and advanced manufacturing. After a protracted period of underperformance, many of China's most competitive, highly innovative and well managed business franchises are trading at compelling valuations. Many of them are emerging as truly global and successful multinationals; we are constructive on these high-quality structural growth companies heading into 2024.

### Emerging Markets and Asia Team

#### Polar Capital LLP

January 2024



## Emerging Market ex-China Stars Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) was launched on 30 June 2023. Since then it has returned 6.6%, compared to 9.3% for the benchmark, the MSCI Emerging Markets ex China Net Total Return Index (all figures in dollar terms).

It was a year of many phases, with Emerging Markets ('EMs') starting well from the beginning of January until more or less 1 April from when China started to show weaker than expected macroeconomic data. Combined with ongoing geopolitics, this led to an extended period over the summer and most of the autumn when China started to sell off. Whether or not China is investable – irrelevant for this Fund – the country still plays a key role for sentiment in EMs overall, as has been the case for many years.

During the summer, we also started to see many other EM countries, particularly in Latin America ('LatAm') and the Middle East, perform well on the back of attractive fundamentals as well as capital from China looking for a new home. However, most EMs had a difficult September and October as more or less everything was about the 'higher for longer' debate on US interest rates, which killed the mood somewhat for EMs. At the same time, the 'Magnificent Seven' US mega-cap technology stocks took all the headlines.

The final phase started in November with, in our mind, clear confirmation that inflation was rolling over and the labour market was getting weaker, followed by the de-facto Fed pivot that quickly led to a significant reduction in the 10-year Treasury yield. This was an extremely fast run-down for EMs in 2023.

We believe our performance was driven by good stock selection, particularly in consumer discretionary, and our asset allocation. We also had good stock selection within India. On the negative side, South Korea was a problem for the Fund. We also saw significant pressure on anything related to renewable energy through weak sentiment around the energy transition and lower demand for electric vehicles. This was alongside higher interest rate costs having a larger negative impact on these relatively new business models, which led to underperformance in these areas.

We believe we are at the start of a new technology upgrade cycle, with AI playing a key role. AI's development in terms of opportunity set and potential size has positively surprised us, resulting in us making changes to our technology exposure.

We ended the year underweight Asia and overweight LatAm. We are zero-weighted in Eastern Europe and have added capital to the Middle East though we are still underweight there. Our African exposure is via Ivanhoe Mines (a copper miner in the Democratic Republic of the Congo). We maintain an overweight in India as well as South Korea and Taiwan (where most of our technology exposure comes from) and an off-benchmark weighting in Vietnam.

### Market Review

Much of the negative narrative from 2022 continued to maintain a negative impact on the EM asset class, for which there were two massive overhangs: US inflation (10-year yields) and China. In our view, this has led to value performing better than growth as an investment style. Geopolitics has also been a perceived risk factor. The US has seen a strong technology market, driven by the 'Magnificent Seven', and although EMs have not had the same direct driver, technology stocks in North Asia have performed well on the back of the broader technology trend centred around AI and the related semiconductor value chain. The Fund has been well positioned for this development trend and gained strong relative performance as a result. India has performed very well and the Fund has been well positioned and has also seen good relative performance.

### Fund Activity

The main activity has been to add new technology stocks as well as a few new companies in India. These trading activities have, in general, been successful in adding to the Fund's relative performance.

We saw an increasing amount of capital going into technology and India, but also added to Indonesia and the Middle East as well as Brazil and Mexico, as we see attractive and improving fundamentals here. Overall, positioning in the Fund has been fairly stable over the period, with changes made to the portfolio driven by individual, bottom-up, stock-specific buy and sell decisions for idiosyncratic reasons in each case. At the margin, exposure towards green commodity ESG and electric vehicles has been reduced owing to concerns on the demand outlook, changes in technology leadership and resulting price drops. We have added back slightly more to longer-duration, high-growth names which we believe will be favoured in the coming environment, but have been cognisant of the valuation discipline at which we purchase these new names.

### Market Outlook

We maintain a constructive outlook for the Fund and believe we are holding a portfolio of strong, high-quality companies that are very attractive relative to their fundamentals. We also believe many of our portfolio holdings have been hit unjustifiably hard by panic around the stickiness of inflation and geopolitics. We see things turning around significantly, driven by the US monetary cycle and China easing off on geopolitical tensions. We see the emergence of a new, large investment cycle coming into the asset class and that should, in our view, also drive a strong earnings cycle. We believe de-dollarisation will be a big boost for EMs.

We have a very constructive and positive outlook for the Fund. In our opinion, our high-quality, underlying companies are well exposed to strong growth dynamics and we believe they are mispriced.

### Emerging Markets and Asia Team

#### Polar Capital LLP

January 2024



## Emerging Market Stars Fund

### Fund Performance

In 2023, the Fund (Class I US Dollar Accumulation Shares) provided good absolute returns of 12.4%, outperforming the MSCI Emerging Markets Net Total Return Index benchmark by 2.6% (all figures in dollar terms).

It was a year of three phases, starting well from the beginning of January until more or less 1 April. This was a combination of small but positive views of inflation easing, growth picking up and a significant recovery in China. With this last point in mind, we had been adding capital back into China at the end of 2022, though we had a stronger view on an earnings recovery than a macroeconomic recovery. From around March, we had strong AI stories, driven by NVIDIA, that started to support the Asian technology sector though mostly with the view that this would fast-track the inventory cycle.

From April, China started to show weaker than expected macroeconomic data and, combined with ongoing geopolitics, this led to an extended period over the summer and most of the autumn when China started to sell off. The narrative moved towards whether it was investable (as had been the case in 2022). China did, of course, as has been the case for many years, play a key role for sentiment in Emerging Markets ('EMs') overall. Over this time period we changed our positioning in China, reducing our overall exposure and concentrating our holdings in high quality companies that we believed had potential earnings upside over the medium term.

During the summer, we also started to see many other EM countries, particularly in Latin America ('LatAm') and the Middle East, perform well on the back of attractive fundamentals as well as capital from China looking for a new home. However, most EMs had a difficult September and October as more or less everything was about the 'higher for longer' debate on US interest rates, which killed the mood somewhat for EMs. At the same time, the 'Magnificent Seven' took all the headlines.

The third phase started in November with, in our mind, clear confirmation that inflation was rolling over and the labour market was getting weaker, followed by the de-facto Fed pivot that quickly led to a significant reduction in the 10-year Treasury yield. This was an extremely fast run-down for EMs in 2023.

Our outperformance was driven by both good stock selection, particularly in real estate, and our asset allocation. We also had good stock selection within India and the technology sector where our large overweight was a positive contributor. On the negative side, China was a problem for the Fund. In general, we have been significantly underweight in China, which has worked well, although our stock selection was weak. We also saw significant pressure on anything related to renewable energy through weak sentiment

around the energy transition and lower demand for electric vehicles. This was alongside higher interest rate costs having a larger negative impact on these relatively new business models, which led to underperformance in these areas.

We believe we are at the start of a new technology upgrade cycle, with AI playing a key role. We went into 2023 overweight in technology and this has worked well from a return perspective. AI's development in terms of opportunity set and potential size has positively surprised us, resulting in us making changes to our technology exposure.

We also went into 2023 overweight in Asia as a region, which is how we have been structurally positioned for the time we have been running this strategy and has largely been the correct regional allocation. However, we are going into 2024 underweight in Asia and overweight in LatAm. We are zero-weighted in Eastern Europe and have added capital to the Middle East though we are still underweight there. Our African exposure is via Ivanhoe Mines (a copper miner in the Democratic Republic of the Congo). We maintain an overweight in India as well as South Korea and Taiwan (where most of our technology exposure comes from) and an off-benchmark weighting in Vietnam.

### Market Review

Much of the negative narrative from 2022 continued to maintain a negative impact on the EM asset class for which there were two massive overhangs: US inflation (10 year yields) and China. In our view, this has led to value performing better than growth as an investment style. Geopolitics has also been a perceived risk factor. The US has seen a strong technology market, driven by the 'Magnificent Seven', and although EMs have not had the same direct driver, technology stocks in North Asia have performed well on the back of the broader technology trend centred around AI and the related semiconductor value chain. The Fund has been well positioned for this development trend and gained strong relative performance as a result. India has performed very well and the Fund has been well positioned and has also seen good relative performance.

As mentioned above, the real drag on relative performance has been China for most of the year, with stocks being aggressively dumped by international and local investors. We believe the Fund's exposure to China is very much in the highest quality companies but that has not been able to protect returns. We lost relative performance in China, which was a drag on the Fund's performance in 2023.



## Emerging Market Stars Fund continued

### Fund Activity

The main activity has been to add new technology stocks as well as a few new companies in India. These trading activities have, in general, been successful in adding to the Fund's relative performance.

During the early part of the year we saw a high likelihood of China fundamentally improving so we reallocated capital there, coming from a large underweight. However, as this scenario did not play out – driven by policy mistakes by the Chinese leadership, in our view – we trimmed our exposure. Some of that capital went into technology and India, but also to add to Indonesia and the Middle East as well as Brazil and Mexico as we see attractive and improving fundamentals here. We have also added to our off-benchmark exposure in Japan and Australia, on attractive stock opportunities.

Here are what we see as the key changes during the year:

**China-related:** Sold out of JD.com, Alibaba Group Holding, JD Health International, Venus MedTech Hangzhou, Longfor Properties. Bought StarPower Semiconductor, Pinduoduo and Samsonite International.

**India-related:** Sold Sunteck Realty and Coforge. Bought MakeMyTrip and MTAR Technologies.

**Technology-related:** Sold Silergy, Koh Young Technology, Land Mark Optoelectronics, MediaTek and Naver. Bought Faraday Technology, HPSP and SK Hynix.

**LatAm-related:** Bought Brasil Bolsa Balcao (B3), Bioceres Crop Solutions, Corp Inmobiliaria Vesta and Grupo Traxion. Middle East-related: Bought Aldar Properties.

### Market Outlook

We maintain a constructive outlook for the Fund and believe we are holding a portfolio of strong, high quality companies that are very attractive relative to their fundamentals. We also believe many of our portfolio holdings have been hit unjustifiably hard by panic around the stickiness of inflation and geopolitics. We see things turning around significantly, driven by the US monetary cycle and China easing off on geopolitical tensions. We see the emergence of a new, large investment cycle coming into the asset class and that should, in our view, also drive a strong earnings cycle. We believe de-dollarisation will be a big boost for EMs.

We have a very constructive and positive outlook for the Fund. Our high quality, underlying companies are well exposed to strong growth dynamics and we believe they are mispriced.

### Emerging Markets and Asia Team

#### Polar Capital LLP

January 2024



## European ex UK Income Fund

### Fund Performance

Markets continued to see big style gyrations – our performance relative to its benchmark, the MSCI Daily Net Total Return Europe ex UK Index, was reasonably choppy in 2023. The Fund (Class I GBP Accumulation Shares) delivered double-digit absolute returns but ended the year underperforming its index by 10.5% (all returns are in sterling terms). After a strong relative performance in 2022, the Fund (Class I GBP Accumulation Shares) was 3.1% behind in 1H23 before performance improved to about 1.4% year-to-date outperformance by the end of October. The Fund then underperformed the strong rally in November and December as markets reacted exuberantly to a perceived Fed pivot. Some of the moves in the year-end rally looked disorderly to us. We remain very constructive on the outlook for the Fund's holdings given starting valuations and the ability to compound over the medium term.

The Fund's dividend grew 5.8% in 2023. Beyond increases in dividends, there was also an uplift in share buyback activity across quite a few names held in the Fund. We have much more confidence in the durability of the Fund's dividend relative to the benchmark given how much of its dividends (both recent growth and absolute yield) are driven by sectors whose dividend prospects we are sceptical of – banks (cyclicality), autos (cyclicality and competition threats) and utilities (lack of free cashflow). The combination of the starting dividend yield and ability to compound over the medium term continues to support our constructive view.

### Market Review

Markets surprised on several fronts in the year. There was bubbly behaviour around themes like AI and GLP-1s (weight loss drugs). Generally, markets performed better than expected because the general macro environment was better than a bearish consensus predicted. Bank failures in Switzerland and the US were managed with relative resilience in the near term, although with potential medium-term consequences given the controversial handling of the Credit Suisse capital structure and the effects of the Fed's bank liquidity actions offsetting the effects of quantitative tightening ('QT'). China's economic reopening generally disappointed, while the US avoided a much-anticipated recession. It really was a year to keep an open mind on the macro.

### Fund Activity

We had a good year for finding new ideas in 2023. We were able to find entry points in good companies across several sectors – Getlink (Eurotunnel), Coca-Cola Europacific Partners (bottler), Bureau Veritas (testing and inspection), Pernod Ricard (global spirits), Carlsberg (global brewer) and Akzo Nobel (coatings and paints). We sold several stocks on valuation grounds – LVMH (luxury goods), Assa Abloy (capital goods), Air Liquide (industrial gases), Heineken (global brewer), Schneider Electric (capital goods), Industria de Diseño Textil (Inditex; apparel retail) and Legrand (capital goods; bought earlier in the year). We also sold our position in Bayer (pharmaceutical and agricultural chemical group) as the business had deteriorated on multiple fronts and we lost conviction in the investment case. As a result of these rotations from more expensive ideas into cheaper ones, with two thirds of the portfolio on less than 15x next year's price/earnings (P/E), the median stock P/E is just 14x and only two stocks are on more than 18x (Getlink and SGS).

### Market Outlook

The European index has strong dividend characteristics. The European market has plenty of mature blue-chip businesses that offer growth but also generate enough cash to pay attractive dividends. There is no need to own very low-quality businesses to pick up good dividends. In trickier markets, dividends make up a greater proportion of the equities' returns. The post-Covid dividend reset has seen many companies move to cash return policies that combine still generous ordinary dividends with additional share buybacks. The European region has shown surprising resilience to both the Ukraine war fallout and the rapid European Central Bank ('ECB') hiking cycle. This follows Europe also navigating the Covid shock relatively well. After a decade of shocks, there are few excesses in the system. While we expect the ECB to cut interest rates at some point in 2024, we do not expect a return to negative rates, which is a clear positive in our view.

Within equities, positioning and sentiment remain weak, offering further downside support. We continue to see a need to consider both valuation and cyclical risks. We do not expect a return to ultra-low bond yields, so we expect more downward pressure on overvalued equities after some respite in 2023. On the other hand, we expect the lags of previous rate hikes to play out in economies in 2024. Further softening macro data would increase the risks for deep value sectors. The weirdness of the post-Covid recovery continues to suggest an open mind is the best approach. Quality growth investors face steady multi-year deratings of crowded overvalued stocks. A higher cost of capital world would favour our two key skillsets: valuation discipline and risk management.

### European Income Team

#### Polar Capital LLP

January 2024

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Financial Credit Fund (formerly Income Opportunities Fund)

In November 2023, proposals were put forward to shareholders of the Polar Capital Income Opportunities Fund to change its name to the Polar Capital Financial Credit Fund and to change its focus from investing primarily in the equity and debt securities of financial companies, to one investing primarily in the debt securities of financial companies.

These proposals were supported and the changes became effective from 29 December 2023.

#### Fund Performance

The Polar Capital Income Opportunities Fund's (the Fund – Class I GBP Accumulation Shares) unit price rose 6.6% over the year under review while in comparison its benchmark, the STOXX Europe 600 Financials Index, rose 20.4%. From launch in October 2009, the Fund has returned 217.6%. This compares to the benchmark return of 71.5%, the MSCI All Country World Financials Index return of 184%, the ICE BofA Global Financials Index return of 63%, the ICE BofA Euro Subordinated Financials Index return of 100.4% and the Lipper Mixed Asset Sector return of 99.6% (all in sterling terms). Dividends grew from 5.75p per share in the first full year of launch to 8.20p in 2023.

#### Market Review

Equity markets performed well over the year covered by this report, even after taking into account the extremely strong performance of the so-called 'Magnificent Seven'. Not surprisingly, after outperforming for two consecutive years, financials underperformed, in part due to the collapse of a number of US regional banks and the forced sale of Credit Suisse to UBS Group that led to a sharp selloff in banking shares in March and weaker performance by US financials.

Conversely, Japanese and European financials, the latter notwithstanding the turmoil around Credit Suisse, stood out for their performance, as the rise in interest rates continued to feed through to better profitability and rising earnings estimates. For Japan, the expectation that the central bank would end its negative interest rate policy resulted in a sharp rise in Japanese financials as they are seen as a key beneficiary of such a move.

While 10-year government bond yields rose over the first 9-10 months of the year, November and December saw a sharp fall as inflation data continued to moderate. As a result, US and UK 10-year government bond yields were largely unchanged on the year. Conversely, European 10-year government bond yields finished the year lower, in part reflecting a weaker outlook for growth.

Against this background, financials, as illustrated by the MSCI All Country World Financials Index, rose 9.5%, lagging the rally in global equity markets which rose 15.8%. The subordinated bonds of European financials rose 6.7%, as illustrated by the ICE BofA Euro Subordinated Financials Index, and global financial bonds rose 3.1%, per the ICE BofA Global Financials Index. This compared with the ICE BofA Global Corporate Index rise of 3.3% and ICE BofA Global Government Index which fell 2.2%.

A smaller position in European banks than our benchmark was a big drag on performance. Equally, the decision to rotate the portfolio more defensively towards the end of the year, prior to the sharp rally in equity markets through November and December, where our holdings in non-life insurance lagged the wider sector, also contributed to the lag as investors rotated out of more defensive stocks in light of the Federal Reserve's actions.

Conversely, despite having a holding in a Credit Suisse AT1 bond, which was written down to zero in March, the Fund's bond holdings performed very well, in particular holdings in two HSBC perpetual bonds which saw a significant jump in their price when HSBC unexpectedly announced it would be calling the bonds at par, which largely offset this loss. There was also positive performance from a DnB Bank perpetual bond that was similarly called at par. Otherwise performance was broadly spread.

#### Fund Activity

As we said above, the Fund changed its name from the Polar Capital Income Opportunities Fund to the Polar Capital Financial Credit Fund, with a change to the focus from investing primarily in the equity and debt securities of financial companies to investing primarily in their debt securities.

The Fund had shrunk significantly over the previous four years as, despite good performance, there was limited interest in allocating to a Fund that invested in both the equity and debt securities of financials, with investors preferring to allocate to those that invested only in one or the other depending on their outlook for financial markets, the sector and their tolerance for risk. Consequently, it was felt a Fund with a more focused strategy would have a wider appeal.

Furthermore, with the rise in interest rates and bond yields in the past couple of years, senior and subordinated bonds again were offering attractive returns in both absolute terms and adjusting for inflation. Over the past 50 years, financial companies have, on average, defaulted less than half as much as non-financial bonds, reflecting the fact that the sector is highly regulated and well capitalised, notwithstanding the events in March with the failure of a number of US regional banks and forced sale of Credit Suisse to UBS Group.



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## Market Outlook

In 2023, there was an element of déjà-vu to when the Fund launched in 2009. We had a mini-banking crisis in the US, although thankfully with no visible impact on the US economy as the Fed's action to provide funding to the banking sector was sufficient to stem deposit outflows from smaller banks. Conversely, the actions of regulators in Switzerland to write down Additional Tier 1 ('AT1') bondholders of Credit Suisse at odds with creditor hierarchy did hit sentiment, albeit only briefly as other regulators globally came out with statements that they would act differently in similar circumstances.

That said, we see those failures as idiosyncratic. The sector remains extremely well capitalised, highly regulated and, with the rise in interest rates, profitability has improved. As a result, we are constructive on the sector for both equity and debt investors. Indeed, the likely repercussions of recent failures in the US will be further changes in regulation which should ultimately further reduce tail risk for investors. Nevertheless, we would not be surprised to see markets pause over the first half of 2024, following the strong gains across both equity and bond markets in November and December.

We had assumed that central banks would err towards keeping interest rates higher for longer, for fear of repeating the errors of the 1970s. During this decade, the Fed cut aggressively only to have to raise interest rates to a much higher level as inflation again took hold. However, a more accommodative policy as suggested by the Fed in December, assuming actions follow words, reduces the tail risk of a sharper slowdown in the shorter term.

As importantly, it should help to underpin sentiment and revive animal spirits on hold due to the uncertain impact of higher interest rates on financial markets directly or indirectly. We believe underlying operating performance is good and will be underpinned at much higher levels, unless interest rates return to the near-zero levels experienced over two years ago. Consequently, we remain very constructive on the outlook for returns from the sector over the coming year.

### Financials Team

#### Polar Capital LLP

January 2024



## Financial Opportunities Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) rose 10.8% in the year relative to a 15.5% rise in the MSCI All Country World Financials Net Total Return Index benchmark, in dollar terms. Having outperformed in the first half of the year, the relative performance was affected primarily by the sell-off in CAB Payments Holdings following their profit warning in October and the write-down in the unlisted holding in Atom Bank following their capital raise in November. Weakness in Asian life insurers, affected by a deteriorating macro outlook in China, also weighed on the Fund's performance.

### Market Review

Following two years of outperformance, financials underperformed broader markets in 2023 affected by the collapse of a number of US regional banks and forced sale of Credit Suisse. Despite a recovery in the latter part of the year, US banks underperformed with the sharp rise in interest rates leading to concerns over both asset quality and the impact from unrealised losses on bond portfolios. In contrast, diversified financials were relatively strong, with information service providers proving defensive and benefiting from a resurgence in bond issuance. FinTech companies saw a mixed performance, with the network providers performing well and benefiting from resilient consumer spending, while earlier-stage FinTech companies saw a material derating, reflecting a higher cost of capital and questions on longer-term growth prospects.

Within Asia, the release of mixed economic data around China weighed on the market which continued its underperformance throughout the year. While China announced additional stimulus, there remain doubts as to the fiscal room available to the government when local government debts are included. There are also longer-term questions as to the ability of the government to shift from an investment-led to a consumption model at a time when consumer confidence is affected by a protracted slump in the real estate sector. In contrast, Indian economic trends remained robust and Gross Domestic Product ('GDP') growth came in ahead of expectations. In 2024, sentiment in India will be affected by expectations on the general election with the ruling Bharatiya Janata Party ('BJP's') strong showing in the state pointing to continuity (a market friendly outcome). Expectations for a shift in monetary policy in Japan and the potential for the Bank of Japan to end its negative interest rate policy led to strong performance in Japanese financials.

European financials outperformed in the year, led by the banking sector which benefited from earnings upgrades driven by rising interest rate expectations. Deposit betas (the sensitivity of deposit pricing to a change in interest rates) rose in the region but remained lower than expected, with peripheral Europe the lowest, which has driven upgrades to core revenue estimates. Asset quality was stable with stronger capital levels translating into additional buyback announcements. Payment companies in the region came under pressure on concerns related to the commoditisation of the sector leading to pressure on pricing.

### Fund Activity

Following the collapse of Silicon Valley Bank, we sold our remaining holdings in small and mid-sized regional banks on the basis that the headwinds facing US regional banks in the shorter term would cap any rally in their shares. While this was partially offset by an increase in our European bank holdings which benefited from rising interest rates, the Fund's overall exposure to the banking sector fell during the year.

We added to our non-life insurance exposure, primarily through additions to reinsurers in both the US and Europe. The reinsurance sector benefited from the withdrawal of capital by some underwriters in 2022, reflecting the poor level of profitability over the preceding few years. Consequently, with the drop in supply of capital underpinning the reinsurance sector but with demand unchanged at best, reinsurance rates rose sharply in January, estimated by Howden Insurance, an insurance broker, to be 37% on average.

The Fund's FinTech exposure rose during the year, primarily reflecting an increase in payments companies (a subsector which MSCI moved from the technology to the financials sector during the year). There is a clear trend of disruption by FinTech companies in emerging markets where digital services are being offered to customers that have typically been underserved by the incumbents. Nu Holdings and MercadoLibre (added to the Fund during the year) have both demonstrated an ability to acquire significant scale while maintaining strong risk management practices.

### Market Outlook

The moderation in inflationary pressures along with the prospect of a less restrictive monetary policy and a shallower downturn is positive for the sector, reducing the risk of a deeper credit cycle and easing funding cost pressures. While the downward shift in rate expectations is a headwind to near-term earnings for certain rate-sensitive banks, the transition to a more normalised interest rate range (2-3%) provides a supportive backdrop for profitability which is not currently reflected in valuations. Within diversified financials, the derating in FinTech and European alternative asset managers provides an attractive setup for recovery following the likely peak in interest rates.

### Financials Team

#### Polar Capital LLP

January 2024



## Global Absolute Return Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned 4.22% in 2023, taking its return since inception to 36.59%, or 6.44% annualised.

### Market Review

January was a strong month for risk assets, with significant global equity returns and tightening in credit markets. Stocks negatively impacted in 2022 rebounded due to factors such as slowing inflation, lower gas prices and China's broader post-pandemic reopening. The US dollar fell for the fourth consecutive month, contributing to increased demand for commodities and supporting gold prices. Expectations of an end to the current central bank tightening cycle led to falling market interest rates in January. Industrial commodities appreciated, with a lower dollar and increased demand expectations on China's reopening (iron ore +5.5%; copper +10.2%). Gold also benefited from significant central bank purchasing as Turkey, China and Russia diversified their dollar exposure.

The robust US jobs report in February, marking the strongest growth in six months and a 53-year unemployment low, fuelled speculation of continued monetary tightening. Risk markets responded negatively, particularly in the US, with equities selling off, interest rates rising and credit spreads widening.

March began where February left off, with Fed Chair Jerome Powell confirming his intent to increase the pace of rate hikes following inflation and economic data prints. However, this narrative changed following the collapse of Silicon Valley Bank (SVB), the now third largest US bank collapse in history, which sparked fears of wider deposit outflows and contagion within the financial system. The risk soon transferred to Europe, where investors focused on long-time underperformer Credit Suisse, ultimately leading to large deposit outflows and UBS purchasing the bank, followed by an acute flight to safety. However, in the wake of the SVB collapse, the Fed reversed its tightening trend of decreasing its balance sheet, which spiked 4.39% during the month. Risk markets responded positively, with equity indices, driven by mega-cap technology stocks, trading higher. We also note that Chinese technology stocks moved higher in March driven by the perception of an easing state crackdown on the sector to boost growth. Five-year Treasury yields declined nearly 100bps intra-month alongside a historic increase in interest rate volatility, as the MOVE Index reached its highest level since 2008 (198.7 on 15 March).

In April, cooling economic data and slowing job openings caused markets to price in just one more 0.25bp interest rate hike by the Fed. In general, equities made small gains, while credit spreads and interest rates were largely unchanged.

May brought mixed markets, as economic data revealed a resilient US consumer and higher inflation than expected, leading to anticipation of further rate hikes in 2023, scrapping the previously lowered expectations. A debt ceiling agreement was reached in the US, avoiding a default. Japanese equities outperformed due to ultra-accommodative Bank of Japan monetary policy, divestment from China amid US/China tensions and geopolitical uncertainty, and corporate governance-related efforts to ensure Japanese companies trade at or above reported book value.

Global equity markets joined the rally in June as investors increasingly priced in peaking inflation and thus terminal rates approaching. Optimism for a soft landing in the US grew, with GDP growth of 2% annualised coming in higher than the 1.3% previously reported. As a result, the breadth of market performance in the US widened, with the S&P 500 Equal Weight Index (SPW; +7.51%) and NASDAQ composite (+6.59%) outperforming the cap-weighted S&P 500 Index (SPX; +6.47%) in the month.

Momentum in equity markets extended into July, as disinflation continued, and strong economic data solidified sentiment surrounding a soft landing in the US. Credit spreads continued to tighten and energy commodities performed exceptionally well following a difficult first half of 2023 ('H1'). Japanese equities posted a modest month amid profit-taking from exceptional preceding months.

Equities began August weaker on growth concerns in China, with worse than expected retail sales and industrial production growth for July alongside a worsening crisis in the country's property sector, the latter headlined by real estate developer Country Garden's missed bond payment. Piecemeal support measures from Beijing failed to assuage concerns and, combined with a warning by US Secretary of Commerce Gina Raimondo that US companies increasingly view China as uninvestable, offshore traders triggered a \$12.4bn outflow in Chinese stocks (the largest monthly outflow since data collection began by the Financial Times in 2014). Throughout the month, US equities grappled with hawkish comments from Fed members alongside economic data suggesting that monetary policy was beginning to filter through to the economy. Altogether, equities finished the month down, credit was wider, and interest rates rose, marking a reversal of the runup in risk assets since the SVB collapse in March.

## Global Absolute Return Fund continued

### Market Review continued

Risk-off sentiment continued into September, driven by the higher-for-longer posture from Western central banks. In the UK, the Bank of England surprised markets by keeping rates on hold following several data releases indicating a slowing economy (the Purchasing Managers Index fell at its quickest pace since January 2021 and GDP declined 0.5% between June and July). In the US, the Fed's dot plot of interest rates showed officials expect fewer rate cuts in 2024 than markets were pricing in. This led to surging bond yields across the US and Europe (US 5yr yield: +36bp to 4.62%; EUR 5yr yield: +30bp to 2.78%). Despite a sense of slowing economic data, yields on longer-dated bonds rose more than shorter-dated bonds (US 30yr yield: +49bp versus US 2yr yield: +18bp), driven by more supply (weakening US budget) and less demand (quantitative tightening; higher cost of capital). Against this backdrop, global equities were weak, with Japan outperforming buoyed by accommodative central bank policy. US small-cap companies had a particularly difficult month. Oil prices continued their march higher following an agreement between Saudi Arabia and Russia to extend production cuts into year-end.

October was another difficult month for risk assets, driven by increased geopolitical risk following Hamas' attack on Israel and strong data in the US, namely the jobs report on 6 October (336,000 jobs added in September, the most since January) and core CPI (five-month high), which led to expectations of additional rate hikes. As a result, 10-year US government yields rose for a sixth consecutive month, surpassing 5% for the first time since 2007 before closing the month at 4.93%. Credit spreads also widened (CDX North America High Yield Index: +36bp to 516.8bp; Itraxx European Crossover Index: +22bp to 450.2bp) and equities fell (S&P 500: -2.2%; Eurostoxx 600: -3.7%; TOPIX: -3%; MSCI Emerging Markets Index: -3.9%). Safe haven assets such as precious metals (gold: +7.3%; silver: +3%; platinum: +3.2%) were one of the only asset classes to post positive returns in October, highlighting the caution.

November saw a sharp reversal and was a strong month across the board as lower-than-expected inflation and dovish central bank commentary shifted consensus to pricing in peak rates, with an increased probability of rate cuts in H1 2024, both in the US and Europe. This, combined with solid economic data (US Q3 GDP revised upwards to 5.2%) and gradual labour market softening (aiding the 'end of cycle' narrative), led investors to begin pricing in a Goldilocks scenario of market-friendly conditions: a gradual decline in inflation, easing monetary policy and a solid economic backdrop. Evidence of the rapid shift in market positioning can be seen in the American Association of Individual Investors ('AAII') survey, which hit 2023 peak bearishness on 2 November (50.3%) before ending the month near 2023 bearishness lows (19.6%). All told, November saw the largest easing of financial conditions in four decades (US 10yr -60bp to 4.33%), per Goldman Sachs, enabling an excellent month for risk assets (SPX +8.9%, SXXP +6.5%, TPX +5.4%, North America ('NA') High Yield Index -114bp to 402bp).

Momentum continued through December and into year-end as economic data and central bank commentary continued to support the aforementioned Goldilocks scenario. In particular, US core PCE (Personal Consumption Expenditure) cooled in November, taking the six-month annualised rate to 1.9% and below the official 2% target. Additionally, the updated Fed dot plot revealed expectations of 75bp rate cuts in 2024. A downside inflation surprise of 3.9% in the UK led to similar sentiment.

### Fund Activity

In January 2023, the Fund maintained a modest positive equity exposure, averaging 2.4% with a range of -1.1% to 5.9%. Returns in the month were nearly equally attributable to this equity exposure and tighter credit spreads, which benefitted convertible valuations. This was partially offset by a headwind in put profiles and Credit Default Swap Index ('CDX') macro credit hedge, for the same reasons. The largest contributor was Jet2.

The modest positive equity exposure continued throughout February, averaging 4.8% with a range of around 1.5% to 8.4%. Widening credit spreads and rising interest rates accounted for substantially all the loss during the month, which was partially offset by the Fund's macro credit and interest rate hedges (the latter was initiated in February). The largest detractors in the month included Park24 and SSR Mining.

Again, in March, the Fund maintained a modest positive equity exposure, averaging 5.5% with a range of around -0.4% to 10.3%. Following the SVB episode, we felt the risks were well contained and consequently partially reduced the Fund's macro credit hedge. Convertible valuations lagged the interest rate move, although all investment categories contributed positively to Fund performance, with no single outsized positive or negative returns. We note the positive contributions from our asymmetric position in Kingsoft and our put position in Winnebago Industries.

Fund performance in April was driven by the asymmetric investment category, averaging a 5.5% equity exposure with a range of zero to 12.4%. The largest detractors were asymmetric positions in MP Materials and Vertex Energy.

May was a strong month for the Fund, with all investment categories contributing positively to performance. The Fund's macro credit and interest rate hedges also provided partial protection against wider credit spreads and higher interest rates. Equity exposure averaged 3.8% with a range of -0.5% to 8.6%. The largest individual contributors to Fund performance in May came from Indie Semiconductor (asymmetric), Array Technologies (equity hedged), and Encore Capital (put profile), showcasing the effectiveness of alpha generation across various strategy buckets.



In June, the asymmetric investment category contributed most positively to Fund performance, driven by broad-based equity market appreciation. Conversely, the put profile investment category detracted most from performance. Geographically, we benefited from an increased exposure to Japanese convertible bonds in June, as evidenced by Ferrotec being among the Fund's biggest contributors in the month. Overall, Japanese-related equity exposure increased from around 3.9% of Assets under Management ('AuM') in May to 7.4% at the end of June.

The Fund maintained a modestly positive equity exposure in July, averaging 6.2% with a range of 1.8% to 15.3%. Among the largest detractors in the month were Jet2 and Patrick Industries.

August saw the Fund average a modest 3.3% equity exposure, with a range of -3% to 12.1%. Amid declining equity markets, put profiles, such as Chefs' Warehouse, were among the leading contributors. Gains in the month were partially offset by the asymmetric category.

The Fund's equity exposure averaged 9.5% in September with a range of 4.5% to 12.8%. Put profile investments contributed most to performance as these positions benefitted from declining equity markets, with the reverse true for asymmetric profiles. Rivian Automotive and Indie Semiconductor were among the largest detractors.

In October, the Fund's equity exposure averaged 9.2%, ranging between 0.6% and 18.1%. Put profiles outperformed as these investments benefited from declining equities, such as Posco, with the reverse true for asymmetric, such as Array Technologies. Equity hedged trades, such as Nordex, detracted from performance, suffering from rising rates and wider credit spreads negatively impacting convertible valuations. The negative impact of credit spread widening was partially mitigated via a macro credit hedge. As spreads widened later in the month, we reduced the size of the hedge.

The Fund performed well in November, with an average equity exposure of 20.3% (14.2% to 29.6% range). We took the equity exposure of the Fund higher at the beginning of the month, while also exiting the credit macro hedge, expressing the view that October's rates-driven selloff was overdone. As a result, asymmetric investments, such as Impinj and Cellnex, contributed most to Fund performance amid rising equities, tighter credit spreads and lower interest rates. Conversely, put profiles, such as Winnebago Industries, partially offset the month's gains.

The Fund's positioning continued to benefit from the backdrop of rising equities, lower rates and tighter credit spreads in December, averaging an equity exposure of 17.7%, with a range of 13.9% to 21.4%. We gradually reduced equity exposure throughout the month as, while we wanted to remain positioned with a modestly long bias given the abovementioned economic data and central bank pivot to a more dovish stance, we felt that market sentiment had nonetheless swung quickly to a more bullish stance, leaving fewer marginal buyers and a more difficult path higher. Zillow Group, was among the month's largest contributors to performance, while Bread Financial Holdings (put profile) detracted, both impacted by declining interest rates and a generally rising market.

## Market Outlook

We are constructive on the outlook for convertible bonds as we head into 2024 for four key reasons. We believe, in particular, convertible valuations are cheap; equity volatility is at historic lows; the convertible investor base is broad; and convertible new issuance is expected to increase the opportunity set of the convertible investor.

## Valuations

Convertibles are one of, if not the, only asset class that is objectively cheap. Even assuming the currently depressed levels of equity volatility persist, global convertibles are 1-1.5% below fair value which is among the cheapest they have been in many years.

In addition, the mixture of yields and conversion premia is similarly as attractive as it has been since at least 2016. This can be seen by looking at new issue pricing which is a good barometer of where convertible secondary markets are priced. According to Barclays, European and US convertible new issues in 2023 carried their highest coupons since at least 2015 in Europe and 2017 in the US. Similarly, the conversion premia have been the lowest since at least 2017 in both.

This means that convertible investors are simultaneously receiving the highest income and the greatest equity upside participation in many years. The obviously attractive economics this creates makes it unsurprising to see the evolution of the investor base that we note below.



## Global Absolute Return Fund continued

### Volatility

Convertible valuations are cheap on the assumption that volatility stays at current levels. Intriguingly, these levels of volatility are exceptionally low. In our mind, there are many reasons to believe volatility is likely to rise materially which, if it happens, would provide a direct tailwind for convertible values.

The most notable reason is the unprecedented gulf between equity volatility and fixed income volatility. While equity volatility has fallen back to multi-year lows, fixed income volatility has risen to multi-year highs. Indeed, the gulf between fixed income and equity volatility has risen to the second highest on record, behind only the 1994 bond market crisis.

As fixed income and equity volatility have typically moved together, we believe it unlikely for equity volatility to stay at these depressed levels. As such, we anticipate rising equity volatility will be a boost to convertible returns in 2024.

### Investor breadth

Convertible markets have a history of being dominated by a particular type of investor – hedge funds in the pre-global financial crisis world and long-only investors until 2020. However, recent years have seen this broaden out substantially to become the most diverse investor base in recent memory.

With each investor type having very distinct investment criteria and needs, this is a clear tailwind to liquidity and valuations as well as to the overall stability of the asset class. It also implies that, should our projections for primary market issuance (below) prove correct, the convertible market is exceptionally well placed to digest this supply.

### Primary market supply

Many market participants, us included, expect 2024 to be a strong year for convertible issuance for two reasons. Firstly, as interest rates rise, the coupon saving on a convertible bond compared to a straight bond becomes more meaningful for issuers. With interest rates near a multi-year peak in the US and Europe, Bank of America recently estimated companies in the US could save 500bps or more in coupon payments by issuing a convertible as opposed to straight debt – a significant amount.

Secondly, high yield issuance was especially strong in 2020 and 2021. Much of this debt is coming due in 2025 and 2026. Indeed, according to Deutsche Bank, the refinancing 'wall' for both US and EU high yield bonds and loans begins to hit in January 2025. In the US, the amount of maturities increases from below \$10bn per quarter to over \$20bn in January 2025. From there, it rapidly increases to as much as \$120bn by the first quarter of 2027. A similar dynamic exists in Europe where the increase is from under €5bn to over €10bn in early 2025 before rising to as much as €30bn by Q3 2026.

This is important because corporates typically look to refinance debt as soon as it becomes 'current' (i.e. has one year or less until maturity). This implies that refinancing should begin to increase materially in early 2024 and that 2024 is likely to be the first of many years in which convertible issuance runs at above-average levels.

### Conclusion

In summary, we believe there are four key tailwinds for convertible performance in 2024: (1) they are attractively priced; (2) the primary driver of their value (volatility) is likely to rise; (3) the investor base is in rude health; and (4) there is likely to be a sustained level of attractive issuance.

These positives stand in contrast to equity and fixed income markets where we believe the outlook is more uncertain. As such, we believe convertibles are likely to provide strong risk-adjusted performance in 2024.

### Convertibles Team

#### Polar Capital LLP

January 2024



## Global Convertible Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned 7.42% in 2023, taking its five-year return to 15.93%. In comparison, the Refinitiv Global Focus Convertible Bond Index returned 9.25% and 19.47% over the same periods, respectively (all in US dollar terms).

### Market Review

January was a strong month for risk assets, with significant global equity returns and tightening in credit markets. Stocks negatively impacted in 2022 rebounded due to factors such as slowing inflation, lower gas prices and China's broader post-pandemic reopening. The US dollar fell for the fourth consecutive month, contributing to increased demand for commodities and supporting gold prices. Expectations of an end to the current central bank tightening cycle led to falling market interest rates in January. Industrial commodities appreciated, with a lower dollar and increased demand expectations on China's reopening (iron ore +5.5%; copper +10.2%). Gold also benefited from significant central bank purchasing as Turkey, China and Russia diversified their dollar exposure.

The robust US jobs report in February, marking the strongest growth in six months and a 53-year unemployment low, fuelled speculation of continued monetary tightening. Risk markets responded negatively, particularly in the US, with equities selling off, interest rates rising and credit spreads widening.

March began where February left off, with Fed Chair Jerome Powell confirming his intent to increase the pace of rate hikes following inflation and economic data prints. However, this narrative changed following the collapse of SVB, the now third largest US bank collapse in history, which sparked fears of wider deposit outflows and contagion within the financial system. The risk soon transferred to Europe, where investors focused on long-time underperformer Credit Suisse, ultimately leading to large deposit outflows and UBS purchasing the bank, followed by an acute flight to safety. However, in the wake of the SVB collapse, the Fed reversed its tightening trend of decreasing its balance sheet, which spiked 4.39% during the month. Risk markets responded positively, with equity indices, driven by mega-cap technology stocks, trading higher. We also note that Chinese technology stocks moved higher in March driven by the perception of an easing state crackdown on the sector to boost growth. Five-year Treasury yields declined nearly 100bps intra-month alongside a historic increase in interest rate volatility, as the MOVE Index reached its highest level since 2008 (198.7 on 15 March).

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Momentum in equity markets extended into July, as disinflation continued, and strong economic data solidified sentiment surrounding a soft landing in the US. Credit spreads continued to tighten and energy commodities performed exceptionally well following a difficult H1. Japanese equities posted a modest month amid profit-taking from exceptional preceding months.

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## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Global Convertible Fund *continued*

#### Market Review *continued*

Despite a sense of slowing economic data, yields on longer-dated bonds rose more than shorter-dated bonds (US 30yr yield: +49bp versus US 2yr yield: +18bp), driven by more supply (weakening US budget) and less demand (quantitative tightening; higher cost of capital). Against this backdrop, global equities were weak, with Japan outperforming buoyed by accommodative central bank policy. US small-cap companies had a particularly difficult month. Oil prices continued their march higher following an agreement between Saudi Arabia and Russia to extend production cuts into year-end.

October was another difficult month for risk assets, driven by increased geopolitical risk following Hamas' attack on Israel and strong data in the US, namely the jobs report on 6 October (336,000 jobs added in September, the most since January) and core CPI (five-month high), which led to expectations of additional rate hikes. As a result, 10-year US government yields rose for a sixth consecutive month, surpassing 5% for the first time since 2007 before closing the month at 4.93%. Credit spreads also widened (CDX North America High Yield Index: +36bp to 516.8bp; Itraxx European Crossover Index: +22bp to 450.2bp) and equities fell (S&P 500: -2.2%; Eurostoxx 600: -3.7%; TOPIX: -3%; MSCI Emerging Markets Index: -3.9%). Safe haven assets such as precious metals (gold: +7.3%; silver: +3%; platinum: +3.2%) was one of the only asset classes to post positive returns in October, highlighting the caution.

November saw a sharp reversal and was a strong month across the board as lower-than-expected inflation and dovish central bank commentary shifted consensus to pricing in peak rates, with an increased probability of rate cuts in H1 2024, both in the US and Europe. This, combined with solid economic data (US Q3 GDP revised upwards to 5.2%) and gradual labour market softening (aiding the 'end of cycle' narrative), led investors to begin pricing in a Goldilocks scenario of market-friendly conditions: a gradual decline in inflation, easing monetary policy and a solid economic backdrop. Evidence of the rapid shift in market positioning can be seen in the AAll survey, which hit 2023 peak bearishness on 2 November (50.3%) before ending the month near 2023 bearishness lows (19.6%). All told, November saw the largest easing of financial conditions in four decades (US 10yr -60bp to 4.33%), per Goldman Sachs, enabling an excellent month for risk assets (SPX +8.9%, SXXP +6.5%, TPX +5.4%, NA High Yield Index -114bp to 402bp).

Momentum continued through December and into year-end as economic data and central bank commentary continued to support the aforementioned Goldilocks scenario. In particular, US core PCE (Personal Consumption Expenditure) cooled in November, taking the six-month annualised rate to 1.9% and below the official 2% target. Additionally, the updated Fed dot plot revealed expectations of 75bps rate cuts in 2024. A downside inflation surprise of 3.9% in the UK led to similar sentiment.

#### Fund Activity

In January, the Fund benefitted from the backdrop of higher equities, lower interest rates and tighter credit spreads. Moreover, two of the top three contributors by sector were the more cyclical materials and consumer discretionary sectors, both benefitting from higher commodity prices and a market perception that any recession in 2023 would likely be 'soft' rather than 'hard'. The largest contributor to Fund performance in January was MP Materials.

Against a backdrop of higher interest rates, wider credit spreads and a retracement in the US, our largest geographic exposure, the Fund's NAV declined in February. This was driven by our overweight exposure to materials, such as SSR Mining and Ivanhoe Mines, which declined due to a drawback in underlying asset prices. Convertible issuance accelerated in February, driven by rising interest rates and higher equity valuations, and note the US GAAP Accounting Standards Update (ASU 2020-06) accounting change, which makes it more favourable for certain companies to issue convertible debt.

In March, convertibles lagged the move lower in interest rates as investors stepped back amid the elevated rate volatility. However, this was offset by generally higher equity prices, leading to positive Fund NAV performance in the month. Exposure to Asian technologies such as Kingsoft drove performance.

In April, the Fund benefitted from the equity appreciation and a positive rerating of Mirum Pharmaceuticals, a deal in which we were taken over the wall. Conversely, Ascendis Pharma's equity fell following a letter from the Food and Drug Administration ('FDA') regarding potential deficiencies in a new drug application, although the company later received a Complete Response Letter from the FDA suggesting a quick resolution without additional studies.

May was a mixed month. The Fund outperformed, lifted by holdings in the healthcare and IT sectors, namely Nutanix, which saw equity gains following strong earnings, validating our fundamental views on the company's positioning within hyperconverged infrastructure ('HCI').

Fund performance (in base currency) was positive in June, driven mainly by the IT and materials sectors and companies, such as MongoDB, which had an excellent earnings release at the beginning of the month. We increased our exposure to Japanese convertible bonds in June for the reasons noted in the market recap.

The Fund had another month of positive returns in July amid rising equity markets. Ivanhoe Mines was a large contributor, while Jet2 was a detractor in the month.



In August, amid declining equity markets and widening credit spreads, the Fund declined. However, relative performance was positive in the month. We note the strong performance of Array Technologies, which reacted positively to a strong earnings release in the month. Conversely, Ivanhoe Mines, impacted by a selloff in underlying copper, and Sea, facing increased competition in its e-commerce segment, led the detractors in the month.

The Fund outperformed the Index again in September, amid another month of declining equity markets and sharply increasing interest rates. Among the largest contributors to Fund performance in the month was Shaftesbury Capital, which benefitted from a tightening credit spread. Positions in Array Technologies and L&F, impacted by a wider selloff within the renewable energy sector, detracted from performance.

October was challenging, amid declining equities, rising interest rates and widening credit spreads. Among the largest detractors in the month were MP Materials, adversely impacted by lower underlying Neodymium and Praseodymium ('NdPr') prices, and ON Semiconductor, which sold off as concerns surrounding softness in the automobile sector intensified.

The Fund performed well in November against a backdrop of rising equities, tighter credit spreads and lower interest rates, with large gains in both absolute and relative terms. All regions and most sectors contributed positively to performance, enabled by expressing the view that October's rates-driven selloff was overdone. Datadog had a particularly strong month, following an exceptional earnings release in which AI revenues proved to be an already meaningful portion of the business and long-term demand trends in data observability were confirmed.

Strong performance continued through December amid a further rise in equities, lower rates and tighter spreads. All sectors contributed positively to performance, highlighting the broad-based nature of the rally. Cytokinetics was among the strongest performers, following a strong result in its Sequoia-HCM trial, which sparked takeover interest.

Throughout most of the year, convertible bond valuations were impacted by elevated interest rate volatility which inflected to become a tailwind to valuations as rates declined from the end of October through year-end. Furthermore, the convertible bond market, which historically has an under-representation of mega-cap companies, lagged the S&P 500 Index and its historically narrow breadth of performance, for much of the year. As the breadth of equity performance widened later in 2023, convertible performance improved. That said, issuance increased, both in absolute terms (up 53% compared to 2022) and diversity of sector and enterprise value.

## Market Outlook

We are constructive on the outlook for convertible bonds as we head into 2024 for four key reasons. We believe in particular, convertible valuations are cheap; equity volatility is at historic lows; the convertible investor base is broad; and convertible new issuance is expected to increase the opportunity set of the convertible investor.

## Valuations

Convertibles are one of, if not the, only asset class that is objectively cheap. Even assuming the currently depressed levels of equity volatility persist, global convertibles are 1-1.5% below fair value which is among the cheapest they have been in many years.

In addition, the mixture of yields and conversion premia is similarly as attractive as it has been since at least 2016. This can be seen by looking at new issue pricing which is a good barometer of where convertible secondary markets are priced. According to Barclays, European and US convertible new issues in 2023 carried their highest coupons since at least 2015 in Europe and 2017 in the US. Similarly, the conversion premia have been the lowest since at least 2017 in both.

This means that convertible investors are simultaneously receiving the highest income and the greatest equity upside participation in many years. The obviously attractive economics this creates makes it unsurprising to see the evolution of the investor base that we note below.

## Volatility

Convertible valuations are cheap on the assumption that volatility stays at current levels. Intriguingly, these levels of volatility are exceptionally low. In our mind, there are many reasons to believe volatility is likely to rise materially which, if it happens, would provide a direct tailwind for convertible values.

The most notable reason is the unprecedented gulf between equity volatility and fixed income volatility. While equity volatility has fallen back to multi-year lows, fixed income volatility has risen to multi-year highs. Indeed, the gulf between fixed income and equity volatility has risen to the second highest on record, behind only the 1994 bond market crisis.

As fixed income and equity volatility have typically moved together, we believe it unlikely for equity volatility to stay at these depressed levels. As such, we anticipate rising equity volatility will be a boost to convertible returns in 2024.



## Global Convertible Fund continued

### Investor breadth

Convertible markets have a history of being dominated by a particular type of investor – hedge funds in the pre-global financial crisis world and long-only investors until 2020. However, recent years have seen this broaden out substantially to become the most diverse investor base in recent memory.

With each investor type having very distinct investment criteria and needs, this is a clear tailwind to liquidity and valuations as well as to the overall stability of the asset class. It also implies that, should our projections for primary market issuance (below) prove correct, the convertible market is exceptionally well placed to digest this supply.

### Primary market supply

Many market participants, us included, expect 2024 to be a strong year for convertible issuance for two reasons. Firstly, as interest rates rise, the coupon saving on a convertible bond compared to a straight bond becomes more meaningful for issuers. With interest rates near a multi-year peak in the US and Europe, Bank of America recently estimated companies in the US could save 500bps or more in coupon payments by issuing a convertible as opposed to straight debt – a significant amount.

Secondly, high yield issuance was especially strong in 2020 and 2021. Much of this debt is coming due in 2025 and 2026. Indeed, according to Deutsche Bank, the refinancing 'wall' for both US and EU high yield bonds and loans begins to hit in January 2025. In the US, the amount of maturities increases from below \$10bn per quarter to over \$20bn in January 2025. From there, it rapidly increases to as much as \$120bn by the first quarter of 2027. A similar dynamic exists in Europe where the increase is from under €5bn to over €10bn in early 2025 before rising to as much as €30bn by Q3 2026.

This is important because corporates typically look to refinance debt as soon as it becomes 'current' (i.e. has one year or less until maturity). This implies that refinancing should begin to increase materially in early 2024 and that 2024 is likely to be the first of many years in which convertible issuance runs at above-average levels.

### Conclusion

In summary, we believe there are four key tailwinds for convertible performance in 2024: (1) they are attractively priced; (2) the primary driver of their value (volatility) is likely to rise; (3) the investor base is in rude health; and (4) there is likely to be a sustained level of attractive issuance.

These positives stand in contrast to equity and fixed income markets where we believe the outlook is more uncertain. As such, we believe convertibles are likely to provide strong risk-adjusted performance in 2024.

### Convertibles Team

#### Polar Capital LLP

January 2024



## Global Insurance Fund

### Fund Performance

For 2023, the Fund (Class R GBP Accumulation Shares) returned 0.9% versus 4.8% for the MSCI World Net Insurance Index benchmark, 17.3% for the MSCI World Index (both net total returns in sterling terms), 7.9% for the FTSE All-Share Index and 19.7% for the S&P 500 Index (both total returns in sterling terms).

The Fund had a very strong 2022 in terms of absolute and relative performance but 2023 proved frustrating. The Fund is modestly off its all-time high set in November but, despite our companies having one of their best years in the Fund's 25-year history in terms of value creation (as measured by growth in book value per share), this was almost fully offset by the sector suffering a severe derating. The majority of this occurred in the first quarter of 2023 as the sector suffered, in our view, unjustified contagion from issues in the banking sector, while falling further in the fourth quarter following the more dovish comments from the Fed.

We believe the 2023 performance was more a function of macroeconomic influences than our company fundamentals, which we feel are excellent. The sector derating combined with a foreign exchange ('Fx') headwind, given US dollar weakness versus sterling, left the Fund with a modest 0.9% return for 2023. Given the significant macroeconomic volatility we have seen since early 2022, with violent swings in inflation and bond yields, it is worth considering how the Fund has performed over the past two years. Over this period the Fund has returned 24.8%, well ahead of the MSCI World Index return of 7.5%. This is a pleasing result, especially as we start 2024 with, we believe, unjustifiably low valuations which we expect will be a meaningful tailwind to future returns.

Given the significant movements in financial markets in the past few years it is more complicated than usual for us to attribute the Fund return across the usual drivers of (1) book value growth, (2) price-to-book (P/B) multiple changes, and (3) FX. While our companies have defensive investment portfolios dominated by short-dated bonds, significant movements in bond yields impact the reported book values of our companies. We saw this in 2022 when, for example, the US two-year Treasury bond yield rose from 0.7% to 4.4% over the year resulting in our companies enduring marked-to-market investment losses despite their 2-3 year duration and low investment leverage. There was some reversal of these investment losses in 2023 with the US two-year Treasury yield dropping modestly to 4.25% by year-end. Given there was an intra-year peak in October of circa ('c') 5.2%, the soon-to-be-reported Q4 2023 earnings will benefit materially from marked-to-market investment gains, reversing some of the Q3 2023 impact. Consequently, in 2023, we estimate our companies will benefit from an after-tax return of c4% on invested assets which, given leverage of 2.5x to shareholders' equity, increases book values by 10% all else equal.

To this investment return we can add another year of excellent underwriting profits, giving total book value growth of 21% for the year. This is well ahead of the 16%+ estimate for book value growth we had at the start of the year. Warren Buffett once said: "In investing, just as in baseball, to put runs on the scoreboard, one must watch the playing field, not the scoreboard". Fund book value growth is the key metric we focus on as managers when we assess our own scorecard and, in this respect, we are delighted with how the Fund companies performed in 2023.

The Fund return of 0.9% in 2023 equates to 5%+ at constant FX given the fall in the US dollar versus sterling during the year. We therefore estimate the 5%+ constant FX return comprises of c21% book value growth decline offset by c16% from falling price-to-book valuations. We estimate the Fund price-to-book to be c170% at year-end which is a modest premium to the long-term US industry average and consistent with recent quarters. In sharp contrast, we believe current earnings power is over 50% better than our c11% compounded annual growth rate in book value per share over the 25 years of the Fund.

### Market Review

We live in the age of risk and the ability to transfer risk continues to gain in importance. Fundamentally, insurance is a promise to pay an amount of money when something bad happens. The sorts of thing that trigger claims payments are accidents, human negligence, bad weather, natural catastrophes and terrorist events. Managing and insuring risk is becoming ever more complex given rising climate change volatility, a proliferation of cyber threats, increasing jury verdicts and social inflation. In a world of relentlessly increasing risk the value the insurance industry provides has never been greater. Rising risk complexity expands the opportunity set for speciality underwriters at the expense of more main street insurers. This is exactly where we invest.

Risk globally continues to be re-evaluated and repriced which is providing excellent growth opportunities for our companies. The strong underwriting environment that began in 2018 continues. These robust market conditions are well illustrated by the quarterly Global Insurance Market Index published by insurance broker Marsh which is skewed to the medium/large commercial market. In 2019, rate rises progressively rose from 3% in Q1 2019, ending 2019 at 11%. Pricing accelerated throughout 2020 with 14% in Q1 2020, rising to 22% by Q4, which was the greatest increase since the survey began. In 2021 rates rose again in the mid/high teens resulting in a third year of rate-on-rate increases. Momentum continued into 2022 with rate rises averaging high single digits despite tough comparatives. 2023 saw pricing rise for the sixth consecutive year, averaging mid-single digit increases. Over the past four years (to Q3 2023), compounded rate rises are a significant +60%.

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Global Insurance Fund *continued*

#### Market Review *continued*

Primary insurance rate rises are particularly pronounced in the excess and surplus (E&S) market where more difficult-to-underwrite risks are placed. The E&S pricing index from Amwins, a wholesale broker, showed property rates rising more than 20% in each of the past three quarters, a step up from the low double-digit increases of 2021 and mid/high double digit rises of 2022. Across all lines, its pricing index again rose by double digits in Q3 2023, continuing the trend we have seen all year.

Reinsurance pricing increases, particularly for catastrophe risk, had lagged the much stronger primary markets but this changed with a 'hard reset' during 2023. Catastrophe pricing typically rose 30-40% while primary insurer retentions moved significantly higher, putting reinsurers further away from the risk. The impact of this has been clear in reinsurer 2023 financial results. Despite what is likely to be the fourth consecutive year of \$100bn+ of insured catastrophe losses, reinsurer projected average returns are nearing 20%, according to broker Guy Carpenter. One strong year however falls a long way short of making up for the poor industry returns experienced in 2017-22 during which the Fund had an all-time low allocation to catastrophe reinsurance.

Consequently, we expected a robust 1 January 2024 renewal with reinsurers maintaining pricing discipline and holding the line on last year's significant improvement in terms and conditions. Around 50-60% of property catastrophe business is placed at this time with a bias to European and global accounts. Early market commentary suggests this has come to pass. The 1 January renewal was much more orderly than last year's very late renewal when buyers were scrambling to secure capacity and brokers had 'cancelled Christmas'. While the 2024 renewals saw less of a demand/supply imbalance compared with 2023 it was one that still favoured reinsurers. Demand for catastrophe reinsurance was up, mostly for tail covers at the top of programmes, which offset a modest increase in supply as most reinsurers sought to grow in this line helped by the increased industry capital levels following a strong year of earnings and a rise in catastrophe bond capacity. Reinsurers rarely offered frequency protections and/or aggregate covers which pay out for smaller events and, as a result, we expect the modest catastrophe events will continue to be retained by primary insurers as we saw in 2023. Guy Carpenter and AM Best jointly estimate that, over the year, dedicated reinsurance capital has increased 10% from their initial 2022 year-end estimate. This has been mostly driven by retained reinsurer earnings given there has been little new capital entering the sector. Howden estimate that c\$17bn of new capital has come in since Hurricane Ian in September 2022. However, they noted that, whereas inflows in 2001-02 (post-9/11) and 2005-06 (post-Hurricane Katrina) accounted for close to 15% of the sector's capital base at the time, the equivalent figure for 2022-23 is less than 5%. No start-ups have got off the ground to date.

Guy Carpenter has commented that global property catastrophe reinsurance risk-adjusted rate changes averaged from near-flat to single digits up for non-loss impacted and 10-30% up for loss-impacted programs. Gallagher Re has talked about rates up in the mid to high single-digit range. Pricing averaged around flat for US risks although some of the more Midwest-focused accounts were under stress given another year of significant losses, largely from severe convective storms ('SCS'). Gallagher Re has estimated US SCS losses exceeded \$59bn in 2023. Non-US pricing was modestly higher overall with larger rate rises occurring for loss-impacted programmes in countries such as Italy, France and Turkey. Importantly, attachment points, and terms and conditions more broadly, remained stable.

Beyond catastrophe accounts, the reinsurance renewals were also positive in casualty and specialty classes. Within casualty, there was a notable reduction in risk appetite from some of the large European reinsurers, particularly for US exposures. This appears, in part, a reaction to these companies suffering deterioration in profitability from the softer underwriting years of 2016-19. The Fund does not own any of the 'Big Four' European reinsurers. Importantly, the casualty renewals saw ceding commissions coming down for many quota share deals with prices rising for excess of loss placements. Both factors improve the economics for reinsurers. Specialty reinsurance trends varied by class of business but were generally positive, especially for political violence and terrorism-exposed risks, given increased geopolitical uncertainty and the ongoing conflicts in the Middle East and Ukraine.

#### Fund Activity

The Fund continues to exhibit low turnover and we did not change our overall positioning materially during the year. In October, Sampo spun off its life insurance business, Mandatum Holding, to existing shareholders. We sold these shares shortly after while retaining our long-held Sampo position.

#### Market Outlook

Buying insurance coverage is one of the best ways for individuals and companies to manage rising volatility and, as a result, it will be relevant for as long as risk remains in the world. We believe the boardroom's understanding of risk is as good as it has ever been, against a backdrop of natural catastrophes and geopolitical events which are evolving around the world in real time. In addition, companies have a greater requirement to explain to key stakeholders how they are managing risk given the rise of Environmental Social & Governance ('ESG') and reporting regimes such as Task Force on Climate-related Financial Disclosures ('TCFD'). This is a tailwind to demand and one of the reasons why we expect growth in insurance demand to comfortably exceed rises in global GDP for the foreseeable future. Lloyd's of London estimates global insurance premiums are set to reach \$9-10trn by 2030, representing compounded annual growth of c6% over the 2020s, a step up from c4% seen in the 2010s.



Underwriting market conditions remain excellent. The reinsurance market underwent a hard reset in 2023 and continues to experience its best market conditions for over 20 years. At the 1 January 2024 renewal, reinsurers achieved a further rate increase and expected catastrophe reinsurance profitability remains excellent with pricing levels at levels not seen since the mid-1990s. We believe 2023 represented the start, not the peak, of a multi-year reinsurance market correction. It is noteworthy that the last time property catastrophe reinsurance rates spiked higher (after the 2004 and 2005 hurricanes which included Hurricane Katrina), pricing remained at strong levels for the next seven years. We expect a tight reinsurance market to underpin another year of positive rate change for primary insurance markets thereby, at a minimum, sustaining what are already very strong underwriting margins.

In the end, what drives long-term Fund performance is our companies' ability to compound book value per share and dividends at an attractive rate over time. As noted above, over the 25 years of the Fund we estimate this metric has compounded at c11% per annum which, as you would expect, is close to the Fund performance over the same period. 2023 was an excellent year for our companies with expected book value growth of 21%, close to double our long-term average. We continue to expect mid/high-teens book value growth (16%+) for the foreseeable future, based on current market short-term bond yields. We believe the Fund now offers a cash-on-cash return of c10% (defined as expected book value growth divided by price-to-book multiple), significantly above the long-term average of c8%.

Constructing a 30–35 stock, diversified portfolio focused on speciality underwriters that can deliver double-digit book value per share growth over time remains core to our investment process. As 2024 begins, we believe our companies will again deliver some of their strongest earnings in the Fund's history which we expect will lead to attractive investor returns.

### Financials Team

#### Polar Capital LLP

January 2024

## Global Technology Fund

### Fund Performance

2023 was a strong year for the technology sector. The Dow Jones Global Technology Net Total Return Index, the Fund's benchmark, returned +56.8%, having fallen -34.8% in 2022. The Fund's (Class US Dollar Distribution Shares) net asset value (NAV) per share increased +53.1% (all returns are in dollar terms). Strong absolute performance and a good year relative to our peer group was encouraging, but the Fund modestly underperformed its benchmark, primarily due to headwinds stemming from a structural underweight position in the largest technology companies and a drag from cash and NASDAQ put options.

Large-cap technology stocks once again significantly outperformed their small and mid-cap peers as the Russell 1000 Technology Index and Russell 2000 Technology Index delivered returns of +66.9% and +27.6% respectively. This was driven by the remarkable performance of a select group of US mega-cap stocks which delivered strong positive returns, in contrast with significantly lower returns in other geographies (e.g. Dow Jones Global Technology ex-US Index: +32.4%) and market-cap tiers (e.g. S&P 600 IT Index: +20.9%). This was a relative headwind given the portfolio's geographic and market-cap diversification. The 'Magnificent Seven' returned +107% as a group for the calendar year through December 2023, contributing c60% of the S&P 500's 26.3% return. Although the Fund benefited from large absolute positions in a number of these stocks, it remains structurally underweight in mega-caps, in favour of growthier small and mid-caps which faced continued headwinds from rising bond yields and interest rates.

Beyond the continued dominance of the largest technology companies, the most important technology market theme during the year was the proliferation, evolution and investment implications of AI. At the stock level, companies directly and indirectly exposed to AI computing (where demand for servers, semiconductor chips and related components increased significantly) made strong positive contributions to relative performance, including Advanced Micro Devices (AMD) (+128%), Disco (+163%) and Fabrinet (+48%). Software companies adopting and monetising AI also contributed, including CrowdStrike Holdings (+143%), HubSpot (+101%) and ServiceNow (+82%).

Conversely, several of the largest negative contributors to relative performance were underweight positions in companies perceived to be AI winners, including Broadcom (+104%), Meta Platforms (Facebook; +194%) and Salesforce.com (+99%). All of these companies are current holdings which we have added to recently.

In contrast with AI-related assets, sharply higher interest rates and a disappointing Chinese post-Covid recovery trajectory began to negatively impact demand in several subsectors. Our positions in companies exposed to these headwinds hurt our relative performance, including Enphase Energy (-50%), SolarEdge Technologies (-67%), Baidu (+4%) and Ctrip.com International (+5%). We reduced and sold these holdings during the year, taking the Fund exposure to electric vehicles ('EV')/the energy transition and Chinese stocks to minimal levels, where we expect them to remain in the near term due to macro headwinds and geopolitical concerns. Given market strength, our cash holdings and NASDAQ put options also dragged on relative performance by -255bps and -172bps respectively.

Despite these headwinds, the Fund delivered strong absolute returns and top quartile performance (ranked 17/106 over the full year) versus the Lipper Technology peer group. This speaks to a challenging environment for most active managers relative to market cap-weighted benchmarks. Equally, our decision to rotate the portfolio towards AI enablers, introducing an AI lens (through which we now consider how generative AI ('GenAI') might impact themes and holdings) became a differentiating factor versus peers and has contributed to a promising start in 2024.

### Market Review

Equity markets delivered strong returns in 2023 as inflation trended back towards target, unemployment remained low and economic growth surprised to the upside. After the strong close to the year, all major geographic regions performed well. The MSCI All Country World Net Total Return Index returned +22.2% in 2023, while the S&P 500 and the Dow Jones Euro Stoxx 600 indices returned +26.3% and +20.5% respectively.

Equities started strongly in 2023 as extreme pessimism and bearish positioning were challenged by disinflationary data, weaker energy prices and sharply lower real rates. However, sentiment turned more negative in February as a slew of strong economic data for January challenged the narrative that the Fed's interest rate tightening cycle was largely complete.

The collapse of Signature Bank and then SVB in March were some of the most significant casualties of aggressive Fed tightening. Credit Suisse fell soon afterwards, as actions by the Swiss central bank failed to stem client outflows and counterparty de-risking. Concerns remained that these bank failures were emblematic of wider issues in the banking sector, prompting extreme bond volatility and a 'flight to safety', with US 2-year Treasury yields falling by 130bps in just eight trading days.



This disruption proved short-lived as global markets rebounded from lows in March to almost recover their December 2021 highs by the end of July. Investors were pulled back into the market as the US banking turmoil appeared contained and economic growth remained firm, supported by resilient consumer spending and strong labour markets. Even though central banks hiked rates aggressively, inflation came down without triggering a recession or even an increase in the unemployment rate, which remained below pre-pandemic levels in many countries.

Excitement about AI accelerated after NVIDIA delivered a strong April quarter and extraordinary guidance for a breakout July quarter, driven by massive orders for graphics processing units ('GPUs') bound for AI workloads. However, the broader market recovery did not last long as financial conditions tightened (the US 10-year Treasury yield peaked at 4.99% in late October) on the likelihood of the Fed needing to keep rates higher for longer. Geopolitical risks also increased following Hamas's attack on Israel. The market ripped higher into the end of the year as a sharp pullback in rates spurred a significant rally and the S&P 500 posted consecutive gains for the final nine weeks.

Favourable seasonal trends were buoyed by moderating inflation without a significant increase in unemployment, increasing the odds of a soft landing and offering the possibility of a 'Goldilocks' scenario for 2024 (the combination of solid growth and interest rate cuts). Markets took dovish commentary from Fed policymakers as a signal that the Fed had completed its hiking cycle and began to price the first interest cut as soon as March 2024, leading the US 10-year Treasury yield to close the year at 3.87%, flat year-on-year ('y/y'). While rate cuts are likely, unless economic data is deteriorating or unemployment is rising sharply, the Fed may well err on the side of ensuring it has tamed inflation, but ultimately this will signify a robust economy, which we believe should be supportive for markets even if pushing out rate cut expectations causes turbulence at the time.

## Technology review

The technology sector significantly outperformed the broader market, following a very challenging 2022. The Dow Jones Global Technology Net Total Return Index gained +56.8% compared to the MSCI All Country World Index which increased +22.2%.

The outperformance was helped by an inflection in AI investment and associated investor sentiment following the launch of OpenAI's ChatGPT in November 2022. Equally importantly, strong growth, positive earnings and free cashflow revisions at the largest technology companies and the increasing likelihood of a soft landing for the US economy, as well as a more supportive interest rate environment, led to improving risk appetite.

The most striking dynamic of technology sector returns was the dominance of the largest technology companies and superior performance of large caps over small: the Russell 1000 Technology Index (large cap) returned +66.9% while the Russell 2000 Technology Index (small/mid cap) only returned +27.6%.

However, AI dominated proceedings across most technology subsectors. The Philadelphia Semiconductor Index ('SOX') returned +67%, led higher by the AI-related semiconductor companies, as cloud providers invested in advance of the anticipated scaling of AI workloads. NVIDIA gained a staggering +239%, supported by robust earnings growth (in excess of stock returns) catalysed by a strong April quarterly earnings report and extraordinary next quarter revenue guidance (\$11bn versus \$7.2bn expected). Some smaller-cap semiconductor supply chain and semiconductor capital equipment stocks also performed well given the emergence of a new AI computing stack and associated supply chain.

Strength in AI-related data centre spending crowded out non-AI spending in areas such as central processing unit ('CPU')/cloud servers, reinforcing the divergence in semiconductor stock price returns. Beyond the AI/data centre sub-sector, semiconductor fundamentals were mixed; communications infrastructure spending remained weak, PC and smartphone inventory cycles appeared to bottom while automotive and industrial end markets softened significantly into the end of the year. It certainly appears as though legacy product demand may be softer than expected for an extended period, as customers await future AI-enabled hardware product releases and replacement cycles.

Given the strategic importance of AI, unsurprisingly governments in all the major economies are now in an AI 'arms' race with the dilemma of formulating policies to accelerate domestic innovation and investment in localised supply chains, while developing basic regulation (guard rails) to protect consumer rights, privacy and security. It was therefore unsurprising that the US government took further steps to curtail China's ability to compete, including banning the export of some leading-edge semi-cap equipment (putting pressure on other governments to undertake similar actions) and preventing the sale of the most advanced AI chips to China. These rules will be updated every year as technology advances continue. Meanwhile, China is investing heavily in its own semiconductor and AI supply capabilities with companies such as Huawei making surprisingly rapid progress despite the best efforts of the US to curtail them.

2023 saw the first movements on AI regulation. The European Union announced the AI Act in June 2023, which seeks to take a risk-based approach to AI regulation, including the banning of 'unacceptable risk' activities such as cognitive manipulation of people, social scoring and facial recognition. President Biden issued an Executive Order at the end of the year which established new standards for safety and security, to reduce risks posed by AI and establish a threshold for chip processing power above which there are disclosure requirements.

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Global Technology Fund *continued*

The NASDAQ Internet Index returned +61.5% following an annual horribilis in 2022, when it fell -47.6% due to post-pandemic normalisation and recession concerns. The recession never materialised and in 2023 the largest e-commerce platforms (such as Amazon and Shopify) dominated returns. These companies continued to consolidate market share gains and deliver strong results as the online consumer remained resilient, supported by strong balance sheets (the gradual depletion of excess savings), a healthy jobs market (low unemployment) and optimism regarding lower future inflationary pressures.

Furthermore, a higher cost of capital/tighter capital markets seriously constrained many smaller companies with high cash burn – a dynamic which helped other 'vertical leaders' such as Uber Technologies or DoorDash consolidate their market positions. Similarly, the largest advertising networks (Meta Platforms (Facebook); Alphabet (Google)) benefited from easy year-on-year comparisons and the ongoing benefit of their recent AI investments, for example in ad targeting and campaign optimisation. Profitability also notably improved for the larger players as the effects of earlier workforce reductions and tighter cost management had a positive impact on margins. The aggressive expansion of Chinese e-commerce platforms such as Shein and Temu into western markets has actually provided a tailwind for spending on many of these social media platforms, but at the same time hurt many smaller marketplaces and retailers.

Revenue growth in the software sector overall has been decelerating for two years (since mid-2021). However the sector rallied into the end of the year due to a more benign interest rate environment and the hope of a growth inflection (to which most have been unwilling to give while IT budgets remain under such tight scrutiny). Software returns were strong over the year; the Bloomberg Americas Software Index returned +48.2%. In application software, larger enterprise-focused companies such as Microsoft, ServiceNow, Salesforce.com and Adobe Systems delivered strong returns in a challenging enterprise spending environment. Microsoft's OpenAI relationship and launch of their CoPilot product late in the year, in particular, focused investor attention on how GenAI will impact the packaged software sector and the role/number of knowledge workers in the economy. Many large application companies announced (and in some cases brought to market) a slew of AI-powered products, although most are only making a small contribution at this stage.

Infrastructure software stocks also benefitted as aggregate public cloud revenue growth (to which their growth is levered) stabilised during the year following eight consecutive quarters of year-on-year deceleration. Customers continued to optimise their spend across all cloud providers, but new initiatives began ramping up to help offset this and, as the year progressed, the intensity of optimisations began to weaken. Cloud consumption software businesses tied to this phenomenon, such as Snowflake and Datadog, saw downward resets to growth expectations during the year, but rallied into year-end as investors looked forward to reacceleration into 2024. Cybersecurity returns were strong as budgets continue to grow and the increasingly sophisticated nature of cyberattacks-enabled by AI will require new tools and capabilities to defend against them. Spend consolidated on the largest platforms (Palo Alto Networks and CrowdStrike Holdings), which delivered strong performance.

#### Fund Activity

As 2023 progressed, we rotated the portfolio more aggressively into AI-related investments, focusing on the enablers (semiconductors; semiconductor equipment; cloud infrastructure providers) and beneficiaries (application software; internet) with the bulk of the activity concentrated in May and June, increasing our holdings in NVIDIA, Advanced Micro Devices ('AMD') and Meta Platforms (Facebook), as well as adding a number of new names such as Synopsys, Fabrinet, Rambus, BE Semiconductor Industries, ASM International, Unimicron Technology, Advantest and Teradata. These were funded from cash as well as by exiting stocks with growth rates and/or drivers that now looked less exciting when viewed through an AI lens (Freshworks; Smartsheet) and a few that had stock specific issues (SiTime and Gitlab).

In the final quarter of the year, we leaned further into the AI theme, adding Micron Technology, Cadence Design Systems, Elastic, Kokusai Electric, Quanta Computer, Lite-On Technology, Gold Circuit Electronics, ARM Holdings and Broadcom. We also added to select non-AI assets which have idiosyncratic growth drivers such as Netflix, Trade Desk and DoorDash.

After a severe drawdown in the technology market in 2022, valuation multiples and earnings estimates had reverted to more reasonable levels. However, with inflation remaining stubbornly high and amid recession risk, we took the opportunity to exit several of our more economically sensitive holdings (Globant; Bill.com Holdings; Meituan Dianping; Kornit Digital; Block). With the bank failures in March, bond yields began to resume their upward trajectory.



We further reduced our rate-sensitive exposure, exiting SolarEdge Technologies (and other solar assets Enphase Energy and First Solar later in the year), electric vehicle plays (reducing and subsequently exiting Byd and ON Semiconductor) as well as FinTech/payment stocks such as Adyen, Visa (with Mastercard exited towards the end of the year) and more consumer-oriented businesses (Airbnb; ROBLOX; MercadoLibre) on the risk of weakening consumer discretionary spend.

Fund exposure to Chinese assets was reduced significantly in 2023 due to disappointing economic data and growing geopolitical tensions (export controls). This included exiting Baidu, Trip.com, Alibaba Group Holding and Tencent, leaving the Fund with no direct exposure as at year end. We rotated the proceeds into secular growth stocks such as Zscaler, Datadog and Axon Enterprise.

Semiconductor and semiconductor equipment combined remains the largest overweight at +7.1% (+5.1% last year). The increase in weighting was driven by a portfolio shift towards AI (semiconductors and equipment are the prime enablers of AI infrastructure build). Broadline retail continues to be an overweight +2.7% (Amazon). Data processing is no longer an overweight as we exited almost all our payment assets.

The Fund is now more underweight software (application and systems) compared to a year ago (-7.8% versus -2.6%) largely due to the outperformance of Microsoft (it is a big position in the benchmark, though we are underweight despite being close to the 10% limit when including a call option). Our reduced exposure also reflected several exits of smaller positions that lacked a sufficiently strong AI angle (Freshworks; Smartsheet) as described above. Hardware, storage and peripherals continues to be our biggest underweight at -10.3% (-11.1%) with Apple being the main constituent.

Portfolio concentration increased, reflecting a market dominated by the largest stocks (a notable headwind for active managers). The number of holdings fell from 67 to 63 by the end of 2023. Our top 10 holdings accounted for 45.5% of the Fund, up from 37.3% year ago, with the majority of the increase accounted for by NVIDIA (from 2.3% to 6.9%), Alphabet (from 4.2% to 6.3%) and AMD (from 3.8% to 5.5%).

Active share declined from 61.8% to 55.1%. Higher weights in index constituents such as Alphabet (6.3% versus 4.2% year ago) and Meta Platforms (Facebook) (3.2% versus 0.9% year ago) were responsible for much of the difference, as we increased our digital advertising exposure based on a cyclical recovery and potential benefit from AI.

Our positions in Apple and Microsoft have fallen modestly and both remain underweights relative to the benchmark. While UCITS rules prevent us from replicating their benchmark weights, we also aim to deliver a diversified portfolio of growth stocks to minimise stock-specific risk. That said, the Fund continues to hold single-stock call options on both Apple and Microsoft as at year end to reduce the underweight positions in the event of a sharp move in these stocks, with the additional benefit of keeping the Fund more fully invested if both stocks participate.

There has been a meaningful change in top 10 holdings with HubSpot 1.2% (from 2.0%), Lattice Semiconductor 0.8% (2.1%), ASML Holding 1.6% (2.2%), KLA Tencor 1.3% (2.5%) and ServiceNow 1.8% (2.9%) falling out of our top 10. They have been replaced by Disco 2.3% (from 1.0%), Samsung Electronics 2.4% (1.6%), TSMC 2.7% (1.8%), Amazon 2.8% (1.2%) and Meta Platforms (Facebook) 3.2% (0.9%).

Our US exposure increased modestly to 71.1% (70.8%), while we increased our allocation to Japan (5.9% vs 5%) and reduced our allocation to the Middle East and Africa, and Latin America.

Cash was 4.5% at year end, compared to 4.1% in the previous year, with much of this held to offset the delta-adjusted call exposure mentioned earlier (to avoid introducing leverage). Any excess cash has subsequently been deployed, with the Fund being fully invested in late January 2024 (after considering the delta of call and put options). This reflects our constructive stance on AI and belief that we are in the very early stage of a new AI-driven technology investment cycle. In addition, we believe the benefits of this will begin to be felt more widely as the year progresses, with productivity gains driving margin improvements and new products and markets due to GenAI.

## Market Outlook

After an extremely challenging 2022, investor pessimism at the start of 2023 proved misplaced as the lagged impact of higher rates did little to crimp growth or push up unemployment. As 2024 begins, inflation concerns have not vanished entirely but, as the monthly run rate for core inflation globally has reversed two-thirds of the pandemic increase, the range of outcomes has surely narrowed. Consensus expectations for 2024 seem to have converged on a fairly benign economic slowdown as softening inflation lets central banks ease (led by the Fed), which is expected to support positive but unspectacular returns for risk assets.



## Global Technology Fund continued

### Market Outlook continued

We believe the Fed appears to have convinced investors it has done enough to quash inflation and will shift its focus to attempt to maintain a 'soft landing' trajectory, noting 'the downside risks to the economy that would be associated with an overly restrictive stance' in the December minutes. This shift may become more pronounced as economic growth slows (Bloomberg consensus estimates US GDP growth to slow from 2.5% in 2023 to 1.5% in 2024) and labour markets normalise. We assume inflation will continue to trend lower as expected (Bloomberg consensus estimates core personal consumption expenditures ('PCE' – the Fed's preferred measure – will slow from 4.1% in 2023 to 2.4% in 2024), but this supportive market narrative could prove vulnerable to any setbacks in inflation's journey back to target.

Given strong returns in 2023 and following a very weak 2022, technology sector valuation multiples appear neither particularly cheap nor expensive versus the wider market and versus history, although they are slightly more attractive on a growth-adjusted basis. The S&P 500 information technology sector is expected to outgrow the broader market in 2024 on an earnings (+17% versus +12%) and revenue (9% versus 6%) basis, although this may be somewhat reflected at 26.7x forward earnings versus the S&P 500's 19.3x.

More sanguine investor views regarding the trajectory of inflation, rates and economic growth led to a rebound in risk assets from October lows through year end, including Bitcoin (+59%), unprofitable technology (+46%) and the highest growth software stocks, which now trade halfway between their 2014-18 average multiple and the average of the past five years. This suggests that, while rapid growth should drive strong returns from here, further multiple expansion may be less likely.

More importantly for the Fund, a backdrop (as looks likely today) which incorporates non-recessionary, stable or mildly declining economic growth and stable interest rates has typically been a good environment for the technology sector. Since 1995, the IT sector has outperformed the S&P 500 by three percentage points in the median six-month period under these conditions, according to Goldman Sachs. Furthermore, should interest rates come down as anticipated, some of the c\$5.7trn sitting in money market funds – more than \$1.4trn of which arrived in the past year – may be redeployed into growth equities (which only saw c\$172bn inflows).

However, the reasonable market environment and valuation setup are secondary to the seismic change we believe is beginning as the AI opportunity inflects. We are at a unique moment in the evolution of the technology landscape and expect the pace of AI adoption to prove a key determinant of sector fortunes during 2024.

Our constructive stance here is based on the belief we are in the early stages of an extended period of sustained robust investment in AI, which we believe is a general purpose technology ('GPT'), more disruptive than the smartphone and every bit as important as the internet. In addition, the diffusion rate for AI (how long it takes to become widely adopted) is likely to be far quicker than those earlier technologies given the low barriers to adoption and wide range of use cases (especially with six billion people worldwide having mobile phones and broadband internet, a potent combination for very rapid adoption of a disruptive new technology).

We also expect it to become apparent that a wider range of companies are directly benefitting from GenAI (either as enablers or users/beneficiaries or as new markets/applications become apparent). The largest technology companies' outperformance has been a huge headwind for active managers' relative performance, but a strong tailwind for absolute returns. Going forward, we expect mega-cap returns to be solid (aligned with respectable core growth rates) further aiding absolute returns, but not creating the same challenges for performance versus the benchmark as the market broadens.

Historical periods of very concentrated market performance suggest the broader market can perform quite well thereafter, but the strongest contributors typically underperform. While several of the largest companies – especially NVIDIA and Microsoft – are AI enablers and/or beneficiaries and are therefore among our largest absolute positions, we expect the benefits of accelerating AI innovation to be felt more broadly. We have positioned the Fund to take advantage of this, with more than 80% of the portfolio accounted for by companies we believe are enablers or beneficiaries of AI.

Perhaps the most significant economic change AI could bring about in the medium term is in supporting a sustained acceleration in productivity growth. Productivity is notoriously difficult to measure (the data is volatile and subject to material revisions), but there are early signs that productivity growth could be turning higher after a prolonged period of weakness; AI could provide a further lever to an already improving picture. This, along with falling inflation and interest rates, should provide a supportive backdrop for the broader sector, as well as better aligning with our growth-centric investment style and playing to our strengths with a larger team with over six years' experience running a dedicated AI Fund. A challenging 2022 and a strong 2023 represented the transition from the end of the 'pandemic era' to the start of the 'AI era'; we are extremely excited about the AI-related investment opportunities ahead.

**Technology Team**  
**Polar Capital LLP**

January 2024



## Healthcare Blue Chip Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned +6.1%, outperforming its benchmark, the MSCI All Country World Daily Net Total Return Health Care Index, which returned +3.6% (both figures in dollar terms).

Except for Europe and Japan, geographic attribution was positive across most regions, with US and Canada, and Asia Pacific ex-Japan being the biggest positive contributors.

In terms of company size, mega-cap stocks (market cap >\$100bn) were the primary driver of performance, with positive stock selection key. Large-cap stocks (\$10bn–\$100bn market cap) were also positive contributors, with positive allocation offsetting negative stock selection. Mid-caps (\$5bn–\$10bn market cap) were a drag on performance, with negative stock selection the challenge.

On a subsector basis, both allocation and selection were positive in biotechnology and healthcare facilities, with allocation the driver for positive healthcare equipment performance. Life sciences tools and services were the biggest drag on performance, driven by both allocation and stock selection, followed by healthcare services (weak stock picking). Cash and others were a modest positive for the year.

The biggest positive stock contributions on a relative basis came from Pfizer, Seagen and Swedish Orphan Biovitrum.

The Fund was not exposed to Pfizer during the year, a company that struggled with material earnings downgrades, the primary driver of which was declining appetite for the company's Covid-19 franchise, both the vaccine and the therapeutic. Pfizer has also been active with deal-making, as the management team looks to reinvigorate the long-term growth profile of the business in the face of material, upcoming patent losses.

Seagen, a US-based biotechnology company, delivered a strong end to their 2022 financial year, reporting 2023 guidance that was well received by the market and also highlighted significant progress and opportunities in the pipeline. In February 2023, shares enjoyed further momentum due to rumours that Pfizer were in discussions to acquire the company. These rumours were confirmed in early March, when Pfizer announced its intention to acquire Seagen for approximately \$43bn.

A Swedish biopharmaceutical company with a focus on rare diseases, Swedish Orphan Biovitrum had a very busy and productive 2023, both in terms of commercial execution and portfolio development. The shares were especially buoyant towards the latter half of the year as demand for the company's respiratory syncytial virus antibody, Beyfortus, far outstripped supply. As a reminder, French pharmaceutical company Sanofi commercialises Beyfortus in the US and pays Swedish Orphan Biovitrum a tiered royalty in the 25–35% range.

The biggest negative relative contributors were Novo Nordisk, R1 RCM and Bio-Rad Laboratories.

The Fund did not have any exposure to Novo Nordisk, a Danish pharmaceutical business with a commercialised drug to target obesity, which was the largest detractor during the financial year. The strong performance reflects the investment community's appreciation for the market opportunity for Novo Nordisk's weight-loss drug, a so-called GLP-1 branded Wegovy, following hugely impressive clinical trial data and positive prescription trends.

R1 RCM had a challenging 2023, which included a large client terminating its contract with the company late in the year. This termination will likely reduce revenues for 2024 as well as require additional spending to ensure a smooth transition to the client's new revenue cycle management system. Additionally, during the Q3 update, management failed to provide incremental details about the progress of its pipeline of new contracts, which was taken unfavourably by investors who were anticipating positive news on that front.

Life sciences tools and services company Bio-Rad Laboratories reported a series of downgrades to both their fiscal year 2023 and medium-term expectations. Like many other businesses in the industry, Bio-Rad Laboratories faced a number of challenges which include customers' inventory destocking, biopharmaceutical funding constraints and tighter sanctions in Russia.

### Market Review

With regards the broader macroeconomic environment, the beginning of 2023 was one of heightened optimism driven by better-than-expected economic growth and receding fears of a recession. This positive backdrop was evident in the outperformance of more economically sensitive areas of the market such as communication services, information technology and consumer discretionary. This trend, while volatile, persisted until the end of July, when the investment community fled once again to safety on the back of higher interest rates and worries of a deteriorating macroeconomic environment if rates stayed higher for longer.

Turning to healthcare, on a relative basis the sector struggled and materially underperformed the broader market. As mentioned above, macroeconomic conditions favoured more cyclical sectors in the first half of 2023, while the second half was more nuanced with two overarching themes. The first one is volatility in the US Treasury market and the implications for high-growth, high terminal-value areas of the market. The second theme that focussed investors' attention centred on the obesity drugs, not just impressive levels of weight loss, but also some of the secondary benefits such as reducing their risk of serious cardiovascular events. The euphoria surrounding the positive implications of the obesity drugs is easy to understand, but it is the potentially negative long-term implications for other healthcare subsectors that needs more careful consideration.

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Healthcare Blue Chip Fund *continued*

#### Market Review *continued*

Continuous glucose monitoring, for example, is an area where the market is starting to question the total addressable market given the GLP-1s' positive effect on controlling blood sugar levels and, potentially, delaying the need for diabetics to move on to insulin. Obstructive sleep apnoea is another area where GLP-1s could prove effective, as illustrated by the pressure being seen on the valuations of companies that manufacture continuous positive airway pressure devices and implants that are used to open airways. In summary, obesity medications could have a hugely positive impact on the health of millions of patients globally but it is important to remain measured on the broader implications, not because the drugs are not effective, but because access to care will remain challenging for many, and not just in emerging markets.

Looking closely at the subsectors, areas that were exposed to increased utilisation (i.e. patient volumes), outperformed the healthcare index. Healthcare supplies and healthcare equipment companies benefitted from an improving demand backdrop, with many seeing their top lines accelerate in 2023, while offering encouraging comments on the sustainability of that momentum heading in to 2024. Healthcare facilities, both inpatient hospitals and surgery centres, were also key beneficiaries of improved patient demand trends during the year. Distributors also performed well, with their steady, defensive earnings profiles making them a key pick for investors seeking shelter in a stable, non-cyclical industry.

By contrast, managed care, life sciences tools and services, and pharmaceuticals all struggled. The managed care subsector underperformed with the key concern being rising medical costs in the face of rising consumption of products and services as patients and consumers gain access to care. The challenges facing the life sciences tools and services subsector in 2023 were multi-faceted, including inventory destocking, a slowdown in activity in China and a biopharmaceutical industry that adopted a more conservative approach to R&D investments. Last, but not least, the pharmaceutical industry had a lacklustre year but was heavily bifurcated between the so-called winners, such as Novo Nordisk and Eli Lilly, and the so-called losers, such as Pfizer and Roche.

#### Fund Activity

In terms of subsectors, compared to December 2022, the Fund continues to be overweight in biotechnology, healthcare facilities and supplies.

We remain constructive on biotechnology despite anecdotal evidence of a less generous funding environment and higher interest rates reducing the terminal value of early-stage companies. Having derated materially throughout most of 2023, the subsector's pace of innovation and its ability to address high unmet medical needs remains intact. We believe these attributes should ultimately drive value creation for shareholders. Healthcare facilities and supplies should experience more favourable conditions in 2024 as demand remains elevated plus the facilities subsector should also benefit from labour costs stabilising and potentially easing.

In terms of the most significant changes compared to December 2022, the Fund has a relative overweight in healthcare equipment compared to a relative underweight 12 months ago, leveraging the enhanced patient utilisation environment further. The Fund also has a materially bigger underweight in pharmaceuticals versus December 2022, sitting at -24.4% compared to -9.6%. The subsector continues to innovate, and continues to have attractive, defensive qualities but does, as a collective, face a significant number of material patent cliffs in the coming years. Those patent challenges are putting more and more pressure on the need for internal pipelines to deliver positive results and also the need for companies to acquire sources of long-term growth, both of which are not without risks and uncertainty.

#### Market Outlook

As we look further forward into 2024, there is much to engage and excite. The demand for healthcare products and services remains strong, cutting-edge innovation is yielding solutions that address hitherto unmet medical needs and the industry continues to consolidate. All this sits on a backdrop where healthcare is heavily out of favour, is attractively valued and demonstrating an ability to deliver consistently attractive revenue and earnings growth, regardless of the economic, political and regulatory environment. It is these characteristics that fuel our optimism for the year ahead.

#### Healthcare Team

##### Polar Capital LLP

January 2024



## Healthcare Discovery Fund

### Fund Performance

Despite a strong performance into mid-year for small-cap healthcare, the balance was mostly an unwinding relative to market conditions until a record catapult off the October low. As we closed the last chapter on 2023, those down on the healthcare market-cap spectrum did better than those up top. However, having said that, much like their larger brethren, small-cap healthcare's year-end absolute performance paled in comparison to their broader-cap indices.

Fund flow data certainly attested to the difficult relative healthcare conditions; it was a year of investor preference for being elsewhere. Even so, we would be remiss not to highlight an off-the-chart small-cap healthcare finish to end the Christmas and New Year holiday season, in no small part thanks to the biotechnology subsector.

After two years of challenging performance, smaller biotechnology companies had a move off the October low as yields relenting and M&A kicking into high gear made for a change as we bid farewell to 2023. For the year, the Fund (Class I US Dollar Accumulation Shares) delivered both absolute and relative performance ahead of the benchmark (MSCI World Small Health Care Net Total Return Index), posting 7.8% versus 5.8%, in dollar terms, and with that our fourth year of relative outperformance.

A tale of two halves aptly paints the picture; a sector-leading first half performance with an extreme course set for us in the second half just trying to recoup that. From a market-cap lens, our larger company exposure showcased the better attribution to performance, small and mid-cap allocation was good though selection, particularly for mid-caps, weighed heaviest. While larger healthcare companies had the better relative performance for the second half, the extreme move off the low along with a better first-half performance put smaller-caps ahead for the year. Relative to regional returns, our better selection and, in turn, attribution came from outside the US with Europe at the top and US the chief detractor. For subsector performance, both our pharmaceutical allocation and selection disappointed – we find pharmaceuticals down the cap scale tricky at the best of times though our selection made matters worse. Thankfully, our biotechnology attribution was significantly ahead; having both allocation and especially selection in our favour helped to buffer the detractors. We held five M&A bid targets over the year, (BELLUS Health; IVERIC bio; Tabula Rasa HealthCare; Cerevel Therapeutics Holdings; Karuna Therapeutics) the majority within biotechnology though healthcare services were represented among the mix, bringing the total since Fund launch pushing 20 to date.

### Market Review

2023 will likely be remembered as the year that flummoxed most investors. As we began the year, a US recession was all but given; few to none were calling for the broader indices finishing on a high though, to be fair, it was anything but a straight path. Smaller companies more generally, despite a US regional banking crisis and the third quarter economic tailspin, enjoyed a broadening of market participation as the year progressed. That said, smaller healthcare companies underperformed relatively – having had a much better start to the year they were not immune to investor preference outside healthcare, certainly related to the growing investor excitement around AI as well as more cyclical sectors.

For healthcare investors, there were also considerations specific to the passing of the Inflation Reduction Act ('IRA') legislation, which included elements for US drug pricing negotiation, as well as strong crosscurrents from the new obesity drugs that resulted in extreme conditions for investors. Adding insult to injury for smaller healthcare investors, third-quarter economic data came in strong, sending 10-year Treasury yields marching higher while pushing longer-duration assets firmly in the opposite direction. That was until October, when the economic data illustrated enough growth to refute overheating concerns, marking a low and making for a 'Goldilocks' couple of months as we looked to the new year. Adding to a better economic backdrop (top down) for those down the cap scale and specific to healthcare (bottom up; thematic) M&A activity picked up significantly and further boosted smaller biotechnology companies. Having been in a bear market for the better part of two or more years the move off the low was significant.

### Fund Activity

In the life sciences tools and services area, we closed out the underweight and moved to neutral, increasing positions in Bruker and Standard BioTools, adding a new position in Bio-Rad Laboratories, having mostly managed to avoid those experiencing serial downgrades. For those life sciences tools and services companies with bioprocessing capabilities that benefitted from the mass production of biologics, vaccines and others, the associated inventory build has taken time to work its way out of the system. Challenging staffing and reduced spending also influenced the clinical research organisations and contract research organisations ('CROs') while those with exposure to China saw a firm foot on the demand brake with the local anti-corruption campaign. The IRA legislation (US drug pricing) had more of an influence further up the market-cap ranks and the smaller-cap investible universe tends to be more specialty, generics and drug delivery companies as opposed to the large, brand name blockbuster ilk. Even so, we struggled to position correctly.

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Healthcare Discovery Fund *continued*

#### Fund Activity *continued*

Our emerging market investments were a bright spot. Indian healthcare providers did exceptionally well – we took profit in both Max Healthcare Institute and Global Health/India, cutting positions in half while continuing to maintain an overweight stance, and completely exited Krishna Institute of Medical Sciences due to growing local competition concerns. We exited our only direct China position, Zai Lab, as an economic call (top down) more generally than anything stock-specific (bottom up). We were remiss not to further increase our allocation to Japan, more a matter of diversification and uncovering additional opportune ideas.

Our greatest portfolio management challenge was the emerging weight loss, GLP-1, market mania where the Fund was knocked about most, in both directions. On the more positive side, our exposure to emerging obesity pipelines served us well but, on the other hand, the broad and simplistic market take on health corollary effects (cardiovascular; diabetes; orthopaedics; respiratory and vascular-exposed areas) caught us off guard. We had yet to witness an instance where clinical data within the healthcare sector had as far-reaching reactions for other areas across the market – agriculture, airlines, autos, food and clothing retail, and restaurants to name a few. Much like the initial AI exuberance, the initial GLP-1 hype washed through, moving to more of a 'show me' stance for perceived 'haves' and 'have nots'. The best course was to sit tight and we mostly did that, though in full disclosure we had some very good (cardiovascular, Shockwave Medical; orthopaedics, Paragon 28) and then less well-timed related medical equipment trades (respiratory, Inspire Medical Systems). In retrospect, it all seems far more obvious than it was in real time though we would note the obesity area is much more complex than meets the eye and the purported market outcomes will take much longer to validate.

More broadly within the sector, post-pandemic utilisation and the implications for medical providers and equipment and services, including health insurers, remained a focus throughout the year. While we were positioned for improving pick-up in demand, being overweight in healthcare services and devices, it has taken longer than we thought, mostly getting there as the second half wore on, just with more noise than otherwise which might have been due to GLP-1 (obesity) commentators seeking to undermine confidence.

We were repurposing M&A funds over the year, mostly back into the biopharmaceutical sector, within which neurology (Longboard Pharmaceuticals; Karuna Therapeutics; Xenon Pharmaceuticals) was more our preference and fortunately that worked well as the area became increasingly in focus over the year for take-out targets. Relative to equity raises, we did participate in transactions for Longboard Pharmaceuticals, MoonLake Immunotherapeutics and Xenon Pharmaceuticals in respect to recent positive clinical data for each.

#### Market Outlook

With healthcare having a torrid time over the year, there is likely room for at least some mean reversion, if not then some. The sector offers attractive attributes at a time when the market direction remains unclear and, as a result, growth at a reasonable price should at least put healthcare on the radar. Despite a record finish for December, smaller companies may be especially well-positioned having priced in a recession more than most over the past year, and remain at a significant discount relative to the larger-cap cohorts. Following a heady year-end pace, M&A may take a pause yet it is worth noting that bid activity has increasingly been focused down the market-cap scale. To date, targets have been weighted toward the biopharmaceutical arena rather than elsewhere though recent transactions in the medical device camp suggests others may be lurking.

This is a US presidential election year and there is likely to be campaign talking points after passing the recent drug pricing legislation, though we do not see the current political will to do more than words.

Sector specifics aside, it likely comes down to the direction of economic growth from here and with that healthcare's relative prospects. In the shorter term, we are nearly at a complete opposite sentiment entering 2024 compared to this time last year suggesting some pullback up ahead – at the time of writing, as we enter Q4 earnings season, perhaps further direction is just around the corner. While there is likely to be some back and forth as the year marches on, if the macroeconomic picture becomes less of a dominating factor we believe we should see fundamentals increasingly reassert themselves. We believe that would bode well for stock selection and getting further down the market-cap ranks after a long hiatus.

#### Healthcare Team

##### Polar Capital LLP

January 2024



## Healthcare Opportunities Fund

### Fund Performance

The Fund (Class I US Dollar Distribution Shares) returned 10.1%, outperforming its benchmark, the MSCI All Country World Daily Net Total Return Health Care Index, which returned 3.6%. The sector significantly underperformed broader equity markets in 2023 – the MSCI All Country World Net Total Return Index returned 22.2%, driven by the underperformance of large and mega-cap healthcare stocks (all figures in dollar terms).

The Fund benefitted from exposure to small and mid-cap stocks which ended up outperforming large/mega-cap stocks although it was a rollercoaster ride, with small/mid-caps outperforming in the first half of the year, then giving all the gains back and more in the third quarter due to interest rates moving aggressively higher. This was followed by a significant rebound in November and December to leave small/mid-caps ahead of large/mega-cap healthcare but still behind the broader market.

Healthcare lagged due to better-than-expected economic growth throughout the year with the sector a source of funds as investors focused on more economically sensitive areas of the market. This was exacerbated by the excitement around AI which was supercharged by NVIDIA's earnings reports in May. Healthcare's main product cycle story was focused on GLP-1s as a treatment for obesity. Data from Novo Nordisk's positive outcome study, Select, caused extreme volatility with significant outperformance from stocks perceived as GLP-1 winners and massive underperformance for the so-called losers.

Digging further into performance over the year, from a market-cap perspective, allocation and stock selection were both positive with the former from the significant weighting in small/mid-cap stocks and the latter due to strongly positive stock selection in mid-cap stocks. Geographically, allocation was slightly negative due to the overweight in Asia Pacific including Japan but stock selection was a significant positive, with strength from Europe and Asia Pacific ex-Japan. At the subsector level, allocation and selection were both positive, with stock selection more so. In terms of allocation, the overweight positioning in biotechnology, healthcare facilities and healthcare distributors and the underweight in life sciences tools and services were all positive. On selection, biotechnology was by far the most positive, with healthcare facilities also helping. Stock selection was negative, mainly for pharmaceuticals, healthcare services, healthcare supplies and healthcare distributors.

The top positive contributors to performance were Zealand Pharma, Swedish Orphan Biovitrum and Max Healthcare Institute. Zealand Pharma benefitted from excitement around the opportunity in obesity, while Swedish Orphan Biovitrum outperformed due to its operating performance and the growth potential of its key commercial assets. Max Healthcare Institute rallied on strong financial performance.

The negative contributors included Revance Therapeutics, Indivior and Astellas Pharma. Revance Therapeutics was hit hard after disappointing on the launch of its key new product, despite a promising start at the beginning of the year. Indivior was hurt by growth concerns and legal headwinds. Astellas Pharma struggled due to a slower than expected rollout of a key new drug as well as concerns over a significant acquisition made by the company.

### Market Review

Investors experienced a wild ride and a very strong market for 2023. Gains were impressive although produced by a very narrow list of stocks for most of the year. The performance comes as a big contrast to expectations at the start of the year, with consensus at that point calling for an imminent recession and a bearish outlook for markets. However, the reality could not have been more different.

Stocks started the year very positively, with leadership suggesting a much more positive cyclical outlook for the economy than was being predicted by economists and strategists. Instead of data suggesting a slowdown, the economy, particularly in the US, showed significant strength, as did data on employment. This led to outperformance from technology, industrials and small/mid-caps and weakness from more defensive areas of the market. This proved to be the dominant theme for the first half of the year, with the performance of technology accelerating after the incredible results from NVIDIA announced in May which exceeded expectations. Following this, there was a significant chase into AI-linked stocks which became a feature of the whole year, impacting many other major companies and, in part, driving some of the outperformance from the 'Magnificent Seven' stocks that drove c60% of the returns from the S&P 500 Index in 2023.

The environment changed enormously in Q3 and into October after the strength of economic data in the US raised fears of greater interest rate increases needed by the US Federal Reserve to quell economic growth and inflation. This led to a vicious sell-off in bonds, with the move higher in yields becoming parabolic towards the end of October. The tightening in financial conditions proved to be a disaster for small/mid-cap stocks which sold off aggressively throughout the quarter.

Following the report of Q3 GDP growth for the US, which was over 4%, more forward-looking indicators suggested both that the phase of rapid growth was starting to slow and that inflation was now coming in below expectations. This led to a peak in bond yields and a significant rally into year-end. This buoyed equities which had a very strong final two months of the year, with small/mid-cap stocks rallying aggressively. The messaging from the last meeting of the Fed added fuel to the fire with bond markets suggesting a significant number of interest rate cuts to come in 2024, which was a massive contrast to how things were looking at the end of the third quarter.

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Healthcare Opportunities Fund *continued*

#### Market Review *continued*

For healthcare, 2023 was disappointing. At the beginning of the year, with investors predicting doom and gloom, large-cap healthcare stocks including pharmaceuticals were heavily over-owned. With economic growth coming in better than expected during the year, this led to these stocks becoming a source of funds, causing significant relative underperformance compared to broader markets. Small/mid-cap stocks had a great first half of the year, but this performance was shattered by a massive selloff in Q3 due to the increase in rates, pulling the year-to-date performance below large/mega-cap healthcare by the end of October. However, there was an enormous rally in small/mid-cap stocks at the end of the year which pulled them ahead of large/mega-cap healthcare but still behind the overall market.

#### Fund Activity

At the start of 2023, several new positions were added to the portfolio across several different subsectors. New positions included Celldex Therapeutics, Indivior, Hikma Pharmaceuticals, Innovent Biologics, Humana and Inspire Medical Systems. The purchase of Hikma Pharmaceuticals and Innovent Biologics increased the emerging market exposure of the Fund. These buys were funded through sales of Argenx and Molina Healthcare.

Further activity in Q1 included participation in two fundraisings. The position in Amvis Holdings was increased through a secondary offering while the holding in Avadel Pharmaceuticals was increased through a primary offering as the company raised fresh capital for its new product launch. The position in Krishna Institute of Medical Sciences, an Indian hospital operator, was sold due to fears over increasing local competition.

At the start of Q2, positions in Zealand Pharma and Swedish Orphan Biovitrum were increased such that they became two of the highest conviction positions in the portfolio. Other buys included new holdings in McKesson and R1 RCM. Positions sold included Ship Healthcare, United Therapeutics, Option Care Health, Bio-Rad Laboratories and IVERIC bio, which was sold after it was announced that Astellas Pharma would be acquiring the company. In June, the Fund participated in two primary fundraisings for two biotech companies, Disc Medicine and MoonLake Immunotherapeutics. Two larger holdings, AstraZeneca and Daiichi Sankyo, were sold from the Fund ahead of a major clinical catalyst from a late-stage oncology trial. Both stocks were subsequently hit after data was weaker than hoped.

In Q3, Fund activity was much lower. A position in AstraZeneca was re-established following stock weakness. The holding in Disc Medicine was increased. Profits were taken in Max Healthcare Institute, a leading healthcare provider in India, after a significant period of outperformance. The Fund participated in an Indian IPO for Concord Biotech, a pharmaceutical manufacturer, which had a significant positive move higher on listing.

Q4 was much more active for the Fund, as many stocks offered such compelling value after the significant weakness impacting small/mid-cap healthcare during Q3 and October. New holdings included Regeneron Pharmaceuticals and Argenx and positions in Xenon Pharmaceuticals and Celldex Therapeutics were increased. Sales included AstraZeneca, Alkermes and R1 RCM, with the sale of the former being driven by mid-term concerns over margin expectations. In December a new holding was added in Neurocrine Biosciences while holdings were increased in Amvis Holdings and Argenx, the latter after an overreaction to negative clinical data for the company. The position in LivaNova was sold over pipeline concerns despite the solid execution from the company on the commercial portfolio.

#### Market Outlook

The rally in the final two months of 2023 has left markets overbought but the strength of the action is typically very bullish for mid-term equity performance. The fundamental driver for a positive market outlook is the thesis that economies will enjoy a strong period of productivity gains in the years ahead which should drive outsized earnings growth from margin expansion at the corporate level. We believe the argument for this is compelling and thus generates a positive market outlook. For healthcare specifically, after a challenging year of performance on a relative basis, the setup for the sector is very attractive, with valuations attractive across the market-cap spectrum. Large/mega-cap healthcare stocks trade at a good discount to the market while small/mid-cap healthcare trades in line with the lows on valuations going back over the past 25 years.

The key drivers of potential outperformance for the sector include improving utilisation, new product cycles and M&A. On utilisation, many areas of healthcare were impacted by the pandemic and the journey still continues back to normality with significant backlogs in healthcare systems around the world. This should drive strong procedure growth for the sector. On product cycles, the new obesity drugs have dominated healthcare and there is a long way to run with this story, but there are many new products launching across the different healthcare subsectors that should drive outsized returns. Last, M&A is very important as healthcare is the most fragmented industry and needs to consolidate. Activity started to pick up in July 2022 after small/mid-cap stocks experienced severe capitulation in June that year. Since then, deals have continued steadily but there was a significant ramp-up into the end of 2023. M&A is expected to continue at a decent rate in 2024.



The US election in 2024 will raise fears over new policy risks for the sector. However, with new legislation signed into law in 2022 through the IRA legislation, it is expected that healthcare will be lower on the list of major political topics that will receive air-time during the runup to the election in November.

Valuation, drivers for outperformance and reduced policy risk in the US for the foreseeable future all provide a compelling rationale for investment in the healthcare sector in 2024.

**Healthcare Team**

**Polar Capital LLP**

January 2024

## Investment Manager's Reports *continued*

For the financial year ended 31 December 2023

### Japan Value Fund

#### Fund Performance

In 2023, the Fund (Class S Japanese Yen Shares) returned 28.8% versus an 28.3% increase in the benchmark, the TOPIX Total Return Index (both in yen terms).

The portfolio faced multiple headwinds early in 2023 with the resurgence of growth-oriented investments worldwide posing a clear obstacle to performance given the portfolio's heavy value bias. The second half of the year was more supportive of portfolio strategy, with value-oriented stocks performing strongly as the announcements from the Tokyo Stock Exchange ('TSE') – see below – captured investors' attention. However, one headwind present throughout 2023 was the underperformance of small-cap stocks, as investors utilised the greater liquidity within large caps to gain exposure to the strong Japanese market. In 2023, the TOPIX Value Index in Japan rose by 32.4% compared to a 23.8% increase in the TOPIX Growth Index. Small-Cap Value rose by 28.3% and Small-Cap Growth rose by 13.5% (all returns stated in yen terms).

The primary drivers of relative performance were Forum Engineering and Toyota Industries. Forum Engineering, a human resource provider, enjoyed strong performance as investors began to recognise its mispriced growth potential. Despite facing challenges in recent years due to Covid-related decreases in demand for their personnel, the company's business model, which is highly susceptible to demand fluctuations due to its high-cost structure, showed signs of resilience. Investors were encouraged by robust operating forecasts and an increase in dividends, leading to a significant rise in the company's share price in 2023.

Toyota Industries, the publicly listed subsidiary of the Japanese automotive manufacturer Toyota, emerged as the second largest contributor to performance. The strength in its share price was fuelled by the demand for highly liquid value stocks following the announcement by the TSE, while investors continued to speculate about potential advantages stemming from the reorganisation within the Toyota group. Furthermore, the company stands to gain from long-term thematic trends such as factory automation and the growing adoption of electric vehicles.

The most significant detractors from relative performance were SK Kaken and Bleach. SK Kaken, a Japanese paint manufacturer, underperformed the benchmark. Despite being a high-quality business with low volatility, it garnered limited interest from investors amid the current bull market. Moreover, the founding family persists in resisting change despite pressure from activist investors to incorporate the perspectives of most minority shareholders. We anticipate a shift in policy due to escalating external pressures.

Bleach, a digital marketing company, emerged as the second largest detractor to performance. Following its recent IPO, the company failed to impress investors at launch, leading retail investors to swiftly divest from the stock due to disappointing short-term results. Nevertheless, we remain confident the business offers investors an attractive risk/return profile at this juncture.

#### Market Review

It has been an extraordinarily strong year for Japanese equities. There have been two prominent themes driving gains throughout the course of 2023. First, the TSE policy initiatives in 2023 mark another step forward in the efforts to improve domestic governance and corporate efficiency. Second, there finally appears to be light at the end of the tunnel with respect to Japan's long fight to end deflation.

In January, the TSE made an announcement that captured investors' attention regarding initiatives designed to encourage corporates to focus on cost-of-capital management to close their valuation gap between Japanese and Western companies. Initially the directive had been for companies trading with a price-to-book ratio of less than one. However over the course of 2023 we saw the TSE broaden this message to encourage improvements across the valuation spectrum. There have already been noticeable indications that corporations have heeded this directive, including heightened levels of mergers and acquisitions, management buyouts, dividend hikes, the unwinding of cross-shareholdings, and share buybacks. These initiatives are expected to gain momentum throughout 2024.

As of the time of writing, the Bank of Japan has refrained from announcing an end to its negative interest rate policy. Nevertheless, in 2023, we observed adjustments to the yield curve control policy, indicating potential shifts in monetary strategy and as the year drew out, we saw both the Governor and Deputy Governor suggest the Bank of Japan would be facing challenges in its efforts to end its negative interest rate policy. We believe it is therefore likely that the tightening process will start in April 2024, following the conclusion of spring wage negotiations. These negotiations are expected to provide additional evidence supporting the assertion that deflationary pressures are receding, setting the stage for the initiation of a full-scale tightening of monetary policy.



## Fund Activity

Portfolio strategy remained consistent throughout 2023, with new purchases focused on areas where we believe there is a mismatch between the quality of the underlying business and the share price performance. The Fund has typically adopted a variety of valuation methodologies when determining the intrinsic value of a business. However, following the TSE announcements we increased the focus on low price-to-book names given the increased pressure on these corporates. We will continue to overlay our quality requirements when identifying investments.

**Ines:** We returned to Ines, a system integrator with substantial exposure to the local government sector, having previously owned the shares in 2021–22. The company should be a significant beneficiary of work to standardise local government systems by 2025, given its strong existing relationships in the sector. There is also potential for further capital efficiency improvements following previous large-scale share buybacks and a change in the capital alliance with Mitsubishi Research Institute, given rising governance standards in Japan.

**GLOBERIDE:** We purchased a new position in GLOBERIDE, a fishing equipment manufacturer, following a recent research meeting. The company was a significant beneficiary from lifestyle changes linked to the pandemic leading to record profit levels in recent years. Although we expect some normalisation in the business over the coming years, we believe the business will prove to be a long-term winner from Covid, as a meaningful percentage of new participants to fishing retain an interest despite the full reopening of the economy.

**Bleach:** We elected to participate in the initial public offering of Bleach, a marketing/advertising consultancy with a revenue-sharing business model. The business model is very popular with small and medium-sized enterprises given the lack of upfront advertising costs and the company has the potential to grow rapidly, with the main restraint to growth being the ability to hire and train suitable new recruits. We believe the company has the potential to trade on a large valuation premium to the market once its growth trajectory is more widely appreciated by investors.

**Iriso Electronics:** We initiated a holding in Iriso Electronics, a component manufacturer specialising in connectors for automobiles, which we have followed closely for many years. The share price suffered a substantial valuation derating since its peak in 2018, driven by weak earnings throughout the pandemic. We believe now is an opportune moment to gain exposure to the company as supply chain issues normalise and its growing exposure to the technology transition in the auto sector will hopefully lead to record levels of earnings in the years ahead.

**Ichikoh Industries:** A new position was purchased in Ichikoh Industries, a lighting equipment manufacturer for automobiles, following a recent research meeting. Once a Nissan affiliate, Ichikoh have successfully diversified their client exposure, with Toyota now their leading customer. Management see room to gain more share at Toyota as new battery electric vehicles are introduced. Since 2016, Valeo own 61% of Ichikoh with the two companies working closely together to win new business for global models, given their combined global production footprint. We believe there is a possibility that the current shareholder structure may change given inherent conflicts of interest between Valeo and minority shareholders, with the most likely outcome 100% ownership by Valeo.

**Keiyo:** We initiated a holding in Keiyo, a home centre operator, on share price weakness following a company meeting earlier in the summer. Keiyo have increased co-operation with DCM Holdings ('DCM'), a larger player in the industry, in recent years and we believe it makes strategic sense for the two companies to merge. DCM already has close to a 30% holding in Keiyo, having increased its stake further in 2022 at a significantly higher share price level. Also, given the changing corporate governance environment in Japan, we believe a full acquisition or merger will remove any conflict of interest between DCM and other shareholders. In a pleasant surprise, DCM announced a tender offer for Keiyo on 29 September at a 58% premium.

**Alpha Systems:** A new position was purchased in Alpha Systems, a small software development company, given significant share price weakness year-to-date caused by a short-term cyclical headwind for the business. The company and wider industry have been enjoying record levels of sales and operating profits in recent years, given robust demand and a limited supply of engineering talent. However, the company is suffering from the downsizing of a major project in the first half of this fiscal year, but we expect a full recovery as the engineers are reallocated to other projects over time. The shares trade at book value, and cash and investment security holdings equate to 70% of its market capitalisation, leaving considerable room for capital efficiency improvement alongside the expected normalisation of earnings next year.

**Square Enix Holdings:** A new position was taken in video game publisher, Square Enix Holdings, following a recent research meeting. The company has endured a tough period in recent years after overseas M&A failed to deliver. The new management team has decided to consolidate, exit from the overseas studios and focus on their comprehensive inhouse intellectual property ('IP'). We decided to invest in the shares as recent failures led to the name trading at a significant discount to its peers and, with a third of the company's market cap held in cash, we believe there is significant downside support from here. The company is preparing for large title launches in the coming year and we expect this to act as a catalyst for the shares.



## Japan Value Fund continued

**Rohm:** We returned to Rohm, having previously held the shares in 2017, as the cyclical downturn in their semiconductor-related businesses now appears to be discounted in the share price. The company stands to benefit from the increased penetration of electric vehicles/hybrids, in addition to the wider electrification trend in the auto industry. The silicon carbide ('SiC') business continues to gain traction as the company wins orders for the fiscal year ending in March 2025 and onwards. We are optimistic that the current discounted valuation will reverse as the earnings potential of these new growth fields is realised over the medium term.

The purchases have been funded by sales in Benesse Holdings, Secom, Minebea, Aeon Mall, Subaru Enterprise and NS Solutions. The recent addition of Keiyo was short-lived with the name sold in November, following news of a tender offer from DCM at a 58% premium.

### Outlook and Strategy

The prevailing consensus regarding the global outlook for 2024 envisions a scenario of a soft landing or mild recession, coupled with lower interest rates as central banks claim success in their battle against inflation.

However, in the case of Japan, the economic and stock market outlook diverges somewhat from the global perspective, with both monetary and fiscal policies maintaining accommodative stances. Although Japan has experienced inflationary pressures over the past 12 months, the Bank of Japan remains cautious, awaiting more substantial evidence of sustainable wage inflation before considering the normalisation of monetary policy. Expectations shifted during December and are for the Bank of Japan to make a start toward policy normalisation early in 2024.

Fiscal generosity continues to be the preferred strategy for the ruling party, particularly considering Prime Minister Fumio Kishida's low poll ratings, leading to the announcement of another stimulus plan. Corporate profits in Japan have reached record highs, benefiting from economic reopening, the resolution of pandemic-related supply chain issues and the weakening yen, resulting in a highly favourable operating environment for most companies.

Regarding the stock market, our outlook on Japanese equities remains optimistic, driven by the significant transformations underway in Japanese corporates due to the capital efficiency initiative from the TSE. Our investment thesis assumes that the robust performance of Japanese equity indices this year marks the initiation of a multi-year rerating process, propelled by enhancements in capital allocation across corporate Japan, leading to a structurally higher level of return on equity. The most substantial opportunity for large-scale capital efficiency improvement lies in the realm of smaller companies, where many management teams are still navigating how to adapt to the evolving landscape. Our portfolio is strategically positioned to capitalise on the structural changes unfolding across corporate Japan.

As was the case in 2023, the Fund will again pay a dividend on its Distribution shares in 2024. The Fund went ex-dividend on 4 January 2024, with a distribution of ¥5.8703 representing a 1.5% yield.

### Japan Team

#### Polar Capital LLP

January 2024



## North American Fund

### Fund Performance

The Fund (Class I US Dollar Distribution Shares) rose 23.1% during 2023. This came against a backdrop of robust American equities markets. The Fund's benchmark, the MSCI North America Net Total Return Index, recorded a 26% return, while the equally weighted equivalent rose 17% (all returns are stated in dollar terms).

Significant positive contributions to performance over the year came from Constellation Software (serial acquirer of small software businesses), Uber Technologies (digital ride hailing), United Rentals (industrial equipment rentals), Booking Holdings (online travel booking platform) and CRH (building materials). In all cases, they experienced very strong fundamental business growth.

Constellation Software and Uber Technologies fared particularly well given both the strong growth of their fundamentals as well as a rerating of their profit streams by the market. Uber Technologies, notably, generated meaningful free cashflow in 2023 for the first time. While a general upwards bias to valuations was a feature across the US equity market in 2023, within the technology sector the effect was particularly strong given the derating many companies had experienced in the previous year.

United Rentals continues to see demand for its products given growth in areas of the economy such as infrastructure, commodities and manufacturing. Booking Holdings fared well as the appetite for renewed travel post-Covid continued to endure. Booking Holdings also kicked off a meaningful capital return programme during 2023, which will see cumulative share repurchases worth a quarter of the company's summer 2023 market cap over the next four years.

In terms of the principal negative contributors to relative performance, a relative lack of exposure to the so-called 'Magnificent Seven' stocks meant it was difficult to keep up with the market cap-weighted index given the weighting of those stocks in the index and their extremely strong performance. To our knowledge, the index has never previously seen such a concentration of strong performance – a key feature of the market over the year. Indeed, data from Robert Baird shows that only 27% of S&P 500 companies beat the S&P 500's return last year, the worst since they started tracking the data in 1991. The negative impact of zero-weighted positions in NVIDIA, Apple, Meta Platforms (Facebook) and Tesla more than outweighed any positive impact from holding Amazon, Alphabet and Microsoft. Quite apart from stock selection, the main reason for this was one of position sizing. In a diversified portfolio with plentiful investment opportunities, there is a limit to how much capital we want to tie up in one position.

Among stocks held, the largest detractor to performance by some margin was First Republic Bank, which was eventually taken into Federal Deposit Insurance Corporation ('FDIC') receivership. We fully expected an earnings headwind for the bank because of the duration mismatch between assets and liabilities, but underestimated its magnitude and expected it to be temporary in nature. We also did not foresee the collapse in depositor confidence, triggered primarily by more systemic issues at two other high profile US banks facing similar challenges of rising funding costs, but with significantly greater depositor concentration. While we had exited the position before the bank was seized by the FDIC, we nevertheless sold at a material loss.

The portfolio's holdings in the energy stocks, Canadian Natural Resources, Cenovus Energy and Ovintiv, were also detractors from performance over the year, largely due to the somewhat lacklustre oil price. This was mostly driven by a less tight supply situation than we, and many other investors, had anticipated due to production growth from North American basins exceeding expectations.

### Market Review

Concerns regarding both a recession and inflation eased somewhat during 2023, helping to support the equity market.

A soft landing with a more benign inflationary environment would be an impressive outcome given the dramatic changes in the monetary environment we have seen in recent years. We would caution that we are still seeing lagged impacts from tighter monetary conditions impacting demand in some areas of the economy, and there may still be the potential for unforeseen consequences given the swift change from the ultra-low interest rates prior to 2022.

However, as we have highlighted before, the long duration nature of much consumer and corporate debt in the US has cushioned many debt holders from the severity of the interest rate increases in the short term. The consumer, who drives the bulk of US economic activity, seems to be in good financial health. Despite pandemic-related excess savings depleting, the job market remains robust, wages are rising in excess of inflation and balance sheets are sound, helped by rising equities and resilient house prices.

Much of corporate America is in decent shape too and earnings have been somewhat better than feared by many a year ago. American corporate resilience has been impressive coming off the back of a very strong 2022, proving once more that it rarely pays to write off the compounding potential of American businesses.



## North American Fund

### Fund Activity

New stocks added to the portfolio hailed from a variety of different industries and included: McKesson (drug distributor); Fairfax Financial Holdings (insurer); Ferguson and Core & Main (building materials distributors); Marriott International and Hyatt Hotels (hotel operators); Interactive Brokers Group (online broker) and CRH (building materials). All fit our criteria of being expected to compound underlying business value at a double-digit rate per annum, and having durable business and financial characteristics, while at the same time being bought at attractive prices.

The Fund composition remains very different to the benchmark with a small and mid-cap bias given the breadth of our universe. The active share at the end of 2023 was 85%, meaning the overlap with the benchmark was only 15%.

The Fund in aggregate saw strong growth in underlying business value last year that was notably higher than the broader benchmark. Given the faster appreciation in fundamentals than in share prices, the Fund derated on a number of aggregate valuation metrics during 2023. Indeed, the Fund's blended valuation on a number of metrics versus the benchmark at the end of the year was at its lowest since inception.

The attractive valuation of the Fund does not come at the expense of its fundamental appeal. For example, as has consistently been the case since inception, the portfolio converts net income into free cashflow at a much higher rate than the benchmark, has superior free cashflow margins and a strong balance sheet across a number of metrics. Looking forward, we expect the portfolio to continue to compound underlying business value at a double-digit rate, as has been the case since inception.

### Market Outlook

We continue to be encouraged by the operational performance of the holdings in the Fund. The portfolio grew business value at a double-digit rate in 2023, a level of compounding it has experienced over the life of the Fund. Barring a recession, we would expect this to continue in 2024 and long into the future. This compounding of business value provides an attractive fundamental tailwind for investors. We believe this, combined with an attractive valuation, provides a solid foundation to be optimistic about future returns.

Despite the Magnificent Seven's stellar returns and increasing influence on all market cap-weighted indices which include them, it is important to realise there is a lot more to investing in America than this small group of exceptional mega-cap businesses. There are many highly attractive compounding opportunities lower down the market-cap spectrum trading at very attractive valuations. Our active and focused multi-cap approach aims to take advantage of this diverse opportunity set.

Indeed, we continue to take heart that our investment universe comprises North American companies. The vast home market, the sheer number of high-quality companies, a spirit of entrepreneurialism and a business-friendly environment are just some of the enduring and positive features of investing in American companies.

### North American Team Polar Capital LLP

January 2024



## Smart Energy Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned 18.5% during 2023, underperforming the broader MSCI All Country World Net Total Return Index, which returned 22.2% during the same period (in dollar terms).

In particular, positive absolute performance contributions were delivered by the energy efficiency and energy conversion and storage clusters. The energy transmission and distribution cluster was only slightly positive, while the clean power generation cluster delivered a slightly negative performance contribution.

At an individual stock level, Vertiv Holdings, Renesas Electronics, Marvell Technology and Qorvo were the strongest positive relative contributors. The strongest negative contributors were MP Materials, Alstom, Wolfspeed and Shoals Technologies Group.

### Market Review

Global stock markets had a good year even though market participants had to adapt to the view of interest rates staying higher for longer. Towards the end of 2023, the expectations of interest rates to come down in 2024 were rising, as their impact on moderating job markets and driving down inflation started to be felt more. Macro data from China remained weak, with its property crisis intensifying.

The clean energy sector saw an eventful 2023, with increased interest rates driving up financing costs, impacting spending behaviour of utilities and consumers. Meanwhile, political support remained very important. In Europe, the EU parliament and the bloc's 27 member states reached a provisional agreement to raise the 2030 renewable target to an ambitious minimum of 42.5% of total energy consumption, up from the prior 32% target, almost doubling the 22% existing share (as recorded in 2021). Specific goals were defined for 2030 and beyond for the use of synthetic fuels, notably for the aviation industry, and green hydrogen. The overall goal of the legislation to slash greenhouse gas emissions by at least 55% by 2030 was maintained.

In the US, the US Treasury released its long-awaited guidance on tax credit 'adders', as included in the IRA legislation of 2022. The guidance now states that to become eligible for the 10% bonus tax credit for renewable energy projects using domestic content, the required projects – that started construction before 2025 – have to source 40% of costs domestically, increasing to 55% beyond 2026.

### Fund Activity

The largest weighting was maintained in the energy efficiency cluster. Exposure to the buildings efficiencies subcluster was increased through initiating positions in Lennox International, Carrier Global and Autodesk. The position in ROCKWOOL International was sold. Exposure to the industrial subsector was reduced through selling Nordic Semiconductor, Fuji Electric and reducing Delta Electronics. A new position was initiated with ANSYS. The transportation subcluster was also slightly reduced, with the positions in Stadler Rail, Byd and Alstom having been sold. Positions initiated in this subcluster were NXP Semiconductor and NIO. In the energy efficiency of data, the position in Marvell Technology was increased.

Exposure to the power conversion subcluster was increased through initiating a new position with Wolfspeed as well as increasing ON Semiconductor and Silergy. Positions in Infineon Technologies and Monolithic Power Systems were decreased, with the position in Rohm sold entirely.

Exposure to the clean power generation cluster was strongly reduced given the increasingly difficult market environment. Solar companies such as First Solar, Array Technologies, SunPower, SolarEdge Technologies and Sunrun were all sold. Renewable power producers like RENOVA and Corporacion Acciona Energias Renovables were also sold.

Within the energy storage subcluster, a new position was initiated with the South Korean battery manufacturer Samsung SDI. A certain exposure was also maintained to the lithium mining companies such as Livent and Albemarle.

In the hydrogen infrastructure equipment subcluster, a new position was initiated with the electrolyser company Thyssenkrupp Nucera, while the remaining position in Plug Power was sold.

Finally, in the smart grid equipment supplier subcluster, we sold Itron.



## Smart Energy Fund continued

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### Market Outlook

The effects of monetary tightening on gradually moderating job markets and driving down inflation are apparent. Meanwhile, the still-strong US economic data suggests the Fed is likely to be more patient in starting its interest rate cuts than the market consensus was expecting until recently. Still, with financial conditions expected to ease as 2024 progresses, we anticipate a reacceleration of investment patterns, which should be particularly pronounced in the second half of 2024.

A more balanced supply/demand is leading to a much-needed resurgence of deflationary forces in clean power generation and storage solutions, serving as strong tailwinds to the electrification of industrial and consumer end markets. 2024 should see another year of record investments in energy storage as it offers a strong complement to distributed generation, especially in solar photovoltaic ('PV'). We also expect power semiconductors to continue to see strong demand, as the solid underlying electrification trend in the global energy transition is very much intact. This could bode well for the stocks at the start of 2024 as we believe current valuations appear to be very attractive on a mid to long-term perspective.

We remain very constructive on the underlying themes as reflected by the Fund's investment strategy. Given the urge to accelerate the energy transition towards clean energy solutions and electrification, governments worldwide continue to explore the possibilities of reducing the dependency on imported energy sources as well as fostering local manufacturing and power generation.

As in the past, the Fund will continue to invest across the whole clean energy value chain, focusing on segments with strong structural growth drivers like clean power production, smart grid and storage solutions, the buildout of a green hydrogen infrastructure, power electronic components, electric vehicles, building efficiencies and the energy efficiency of big data.

### Sustainable Thematic Equity Team

#### Polar Capital (Switzerland) AG

January 2024



## Smart Mobility Fund

### Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned 14.8% in 2023, underperforming the broader MSCI AC World Net Total Return Index, which returned 22.2% during the same period (in dollar terms).

The strongest positive performance contribution came from the autonomous driving and mobility infrastructure clusters. The EV manufacturing cluster was also slightly positive, while EV technologies delivered a flat performance.

At an individual stock level, Uber Technologies, Renesas Electronics, NXP Semiconductor and Infineon Technologies were the strongest positive contributors. The strongest negative contributors were Wolfspeed, Alstom, Piedmont Lithium and Albemarle.

### Market Review

Global stock markets had a good year even though market participants had to adapt to the view of interest rates staying higher for longer. Towards the end of 2023, the expectations of interest rates coming down in 2024 were rising, as their impact on moderating job markets and driving down inflation started to be felt more. Macro data from China remained weak, with its property crisis intensifying.

The news flow in the clean energy sector and electrification of the transportation sector remained supportive. In Europe, the EU parliament and the bloc's 27 member states reached a provisional agreement to raise the 2030 renewable target to an ambitious minimum of 42.5% of total energy consumption, up from the prior 32% target, almost doubling the 22% existing share (as recorded in 2021). Specific goals were defined for 2030 and beyond for the use of synthetic fuels, notably for the aviation industry, and green hydrogen. The overall goal of the legislation to slash greenhouse gas emissions by at least 55% by 2030 was maintained.

The growth in the overall automotive market in 2023 was again driven by electrification, with EVs showing a year-on-year unit increase of 40%. This resulted in a worldwide EV market share of 19%, with the unit growth driven by China and followed by Europe.

On the path towards autonomous driving, we project rising penetration of Level 2+ and Level 3 advanced driver assistance systems, the expansion of geofenced robotaxi services into new metropolitan markets and further progress in training self-driving vehicles supported by the latest AI technologies. In 2023 the world's first AI supercomputer dedicated to solving the challenge of autonomous driving came into operation.

### Fund Activity

Exposure to EV suppliers was increased, with new positions initiated in Linamar, Lear and BorgWarner. In the same subcluster, the position in Hota Industrial Manufacturing was sold. Exposure to Chinese EV manufacturers was maintained at a low level, with Byd having been sold, and a limited position in NIO having been initiated. In process equipment and software, a new position was initiated with ANSYS.

Exposure to the EV technologies cluster was also slightly increased. New positions were initiated with the South Korean battery manufacturer Samsung SDI, as well as the silicon carbide device manufacturer, Wolfspeed. In this cluster, the positions in Livent, TE Connectivity and ON Semiconductor were increased. The positions in Analog Devices and Infineon Technologies were reduced and Fuji Electric, Rohm and Plug Power were sold.

The weight of the mobility infrastructure cluster was reduced during the year. The positions in the public transport companies Stadler Rail and Alstom were sold, as well as the position in SolarEdge Technologies, a provider of electric inverters, storage solutions and electric powertrain units. In the green hydrogen and sustainable fuels subcluster, a new position was initiated in the electrolyser company Thyssenkrupp Nucera.

Finally, the share of the autonomous driving cluster went down as the positions in Visteon and APTIV were trimmed.

### Market Outlook

The effects of monetary tightening on gradually moderating job markets and driving down inflation are apparent. Meanwhile, the still-strong US economic data suggests the Fed is likely to be more patient in starting its interest rate cuts than the market consensus was expecting until recently. Still, with financial conditions expected to ease as 2024 progresses, we anticipate a reacceleration of investment patterns, which should be particularly pronounced in the second half of 2024.

For 2024, we expect another growth year for EVs, with unit growth rates of 30% year-on-year. All regions will contribute to this growth, with the strongest growth driven by China followed by the US and the EU.

On the path towards autonomous driving, the first commercial self-driving software solution trained by an AI supercomputer is expected to be rolled out in 2024. We are confident that 2024 will mark new milestones on the way to make autonomous driving a reality for millions of people.

Overall, we remain very constructive on the Fund given the strong fundamentals of the smart mobility sector, with the entire transportation sector having engaged in an unprecedented transformation towards electrification. We will continue to invest across the entire smart mobility value chain, seeking exposure to market segments like EV manufacturers and suppliers, power semiconductors, batteries, hydrogen and EV charging infrastructure, sensor and data processing technologies for automated driving, shared mobility solutions or new developments in the area of driverless mobility.

### Sustainable Thematic Equity Fund Polar Capital (Switzerland) AG

January 2024



## UK Value Opportunities Fund

### Fund Performance

The Fund (Class I GBP Accumulation Shares) returned 9.8% in 2023 compared to 7.7% for its benchmark, the FTSE All-Share Total Return Index, in sterling terms.

There was more balance to the market-cap performance in the UK market in 2023 than 2022. The FTSE 250 Index and FTSE Small Cap Index rose 10% and 10.4% respectively, ahead of the FTSE 100 Index which returned 7.9%. However, the Alternative Investment Market Index ('AIM') was notably weak, falling 6.4%. The Fund had positive stock selection at the market-cap level. Our philosophy is centred on hunting across the market cap for the very best value opportunities available in the UK market so, overall, the market-cap backdrop was more favourable than the previous year when just a handful of mega-cap shares dominated returns.

Domestic shares outperformed within the market. This was, in part, due to better performance from sterling after the chaos of the Liz Truss government and mini-budget in 2022. This was a stylistic tailwind for the Fund, with around 60% of Fund revenue domestically exposed compared to just 25% for the FTSE All-Share Index.

The more cyclical shares outperformed and the Fund benefited from a positive allocation to areas such as consumer discretionary and capital goods where holdings saw a better profit performance than analysts expected. The Fund also benefitted from being underexposed to more expensive, defensive areas of the market such as consumer staples and pharmaceuticals, which underperformed.

The year felt dominated by macroeconomic events and vicious stylistic market moves, as we contended with a US regional banking crisis, continued war in Ukraine, inflation and the conflict in the Middle East. In particular, inflation has been a rollercoaster, with initial data surprising to the upside followed by a much better performance in the second half of the year, with data consistently coming in ahead. Overall, the period of higher inflation has been a huge headwind for small and mid-cap ('SMID') performance, with higher interest rates hampering valuations. Accordingly, as rate expectations notably adjusted in the second half it has been a more helpful backdrop for multi-cap investing.

As we analyse the best and worst performing stocks within the portfolio, it is encouraging to see a more normal outcome: the respective performance from the shares was driven by company fundamental performance above all else. The strongest companies were those that performed considerably better than expectations and upgraded profit forecasts, while those that missed expectations and downgraded forecasts were the toughest stocks. For a strategy focused on a detail-driven approach to stock selection, this is a better environment for making returns than trying to predict the next macroeconomic event and turmoil in the world.

Our best performing shares were Marks & Spencer Group, 3i Group, Morgan Sindall Group and Computacenter. The worst were Spirent Communications, Anglo American, OSB Group and Watkin Jones.

### Market Review

We assess the year according to our three investment criteria: valuation, durability of profits and our proprietary financial safety check.

Valuation is a more nuanced picture over the year as, within the Fund, cheaper shares most definitely outperformed. However, the picture at the market level was not at all clear, with no real evidence of either cheaper or more expensive shares outperforming. However, overall this was a more helpful backdrop than 2022 which saw just a very narrow group of value shares at the top of the FTSE 100 Index performing strongly.

The outlook for profits over the year was perhaps better than feared. Consumer real incomes troughed and turned positive for the first time in two years, providing a better backdrop for consumer-facing sectors despite the overall rise in mortgage rates. If we look at economic activity as reflected by the Purchasing Managers Index ('PMIs'), the UK performed better than EU economies. There was a particular quirk revealed in the middle of the year. The UK, having been reported as anaemic relative to other developed economies since Covid, was reassessed by the Office for National Statistics ('ONS') as firmly in the middle of the pack in terms of GDP performance.

Interest rate expectations saw sharp rises on the worse-than-expected inflation data in the spring. By early summer, the market was pricing in the UK base rate peaking at 6.5% – an incredible headwind for those households facing remortgaging. However, as the inflation data turned and then started coming in ahead of expectations, we saw interest rate expectations fall significantly. The market is now pricing in that we have seen the last rate hike by the Bank of England and that 2024 should see rates being cut. This has already been reflected in much improved offers in the mortgage market. While still a headwind for those facing remortgaging, the impact on the overall economy diminished.

The premise of our financial safety check is that businesses generating decent positive retained cash, and which have robust balance sheets, are best placed to weather storms and seize opportunities whenever they should present themselves. During the period of sharply rising rates, we are surprised that our focus on financial strength has not helped more than it has. However, we can say with confidence that, as businesses come to refinance in the months and years ahead, financial strength is going to count. Half our portfolio holdings (excluding banks and insurers) enjoy net cash balance sheets. Those with a net debt position continue to pass the safety check with more clearance than we have ever seen in the past. Things can change quickly in this market but we think our companies' balance sheets are relatively bombproof. Perhaps 2024 will be the year when the wider investment market once again recognises the discipline of lower leverage in the listed market as some stretched balance sheets in the private equity world are found out.



## Fund Activity

Over the year, the following cheap value creators (where we felt the market was underappreciating the returns on invested capital ('ROIC') of the business) were added to the Fund: Man Group, Rio Tinto, Hikma Pharmaceuticals, Hargreaves Lansdown, Hiscox, BP and Conduit Holdings. In Q4, we initiated a holding in British Land, a bargain asset share, as we saw it, trading materially below its tangible asset base, as the turn in rates gave all important stability to its asset valuation.

We exited the following shares as they hit target price and therefore no longer passed our first 'cheap valuation' criterion: Howden Joinery Group, Schroders, Hill & Smith Holdings and Young & Co's Brewery. We will always assess and reassess the portfolio to ensure it passes all our investment criteria. As a result we exited the following shares, as they failed our 'reduced conviction in ROIC' criterion: NatWest Group, OSB Group, Spirent Communications, Luceco, Restore and WPP.

Financial strength is paramount, as we articulated above, and we no longer felt comfortable that Jadestone Energy passed our financial safety check so the holding was exited. Later in the year, the company needed a rights issue to meet its reserve-based lending requirement.

## Market Outlook

As we turn to the year ahead, we feel the outlook for the cost of capital and its impact on small and mid-cap stocks is probably the most important driver. We have seen just how painful a headwind higher interest rates have been for small and mid-cap performance, both in the UK and globally. Forward interest rate expectations have swiftly reacted to the falling inflation data and we should see both the Fed and the Bank of England move to cut rates in 2024.

Focusing on sterling and its associated impact on the Fund, we know that predicting FX moves is fraught with danger. Following a period of significant decoupling, the shape of the US and UK forward rate curves finally look much more similar to each other. Forecasting the interplay between US and UK rates is tricky from here. We suspect the UK will be later to cut, which could support the currency. Perhaps more importantly, sterling strength will be predicated on UK growth continuing to surprise on the upside. The positive real income backdrop should support this. Both the UK and US go to the polls this year. Following years of turmoil, we think a Conservative or Labour win should not have a material impact on the FX rate. If anything, the outcome of the US election is likely to have a bigger impact.

Considering the outlook for growth, the picture is certainly more hopeful. Inflation is falling rapidly. Consumer real incomes, as discussed above, improved over the course of 2023 and this trend is set to continue with wages rising at a faster rate than inflation. This should prove to be a helpful backdrop in underpinning economic performance. At the broader economic level, the UK is currently showing the best PMIs of any developed economy. However, despite the UK losing its status as an economic outlier, the valuation of the UK market and the FTSE 250 Index, in particular, are staggering. The facts have very much changed but the valuation has not. With this in mind, we look forward to 2024 with a degree of cautious optimism.

**UK Value Team**  
**Polar Capital LLP**

January 2024



## Report of the Directors

For the financial year ended 31 December 2023

The Directors of Polar Capital Funds plc (the 'Company') have pleasure in submitting their Annual Report and Audited Financial Statements for the financial year ended 31 December 2023 to the Shareholders.

### Directors Responsibilities Statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014 (including amendments made by the Companies (Accounting) Act 2017, hereinafter 'Companies Act 2014') and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which: correctly explain and record the transactions of the Company; enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; enable the financial statements and Directors' report to comply with the Companies Act 2014 and with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the 'UCITS Regulations') and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the 'Central Bank UCITS Regulations'); and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In this regard, Bridge Fund Management Limited (the 'Manager') has been appointed as the Company's UCITS management company, with overall responsibility for the administration of the Company and the management of its investments. The Manager has in turn appointed Polar Capital LLP and Polar Capital (Switzerland) AG (the 'Investment Managers') as investment managers of the Company's sub-funds and Northern Trust International Fund Administration Services (Ireland) Limited (the 'Administrator') as administrator appointed for the purpose, among others, of maintaining adequate accounting records. Northern Trust Fiduciary Services (Ireland) Limited (the 'Depositary') has been appointed for the purpose of safeguarding the assets of the Company.

### Basis of Presentation

The format and certain wording in the Financial Statements has been adapted from those contained in the Companies Act 2014 and IFRS so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

### Directors' Statement on Adequate Accounting Records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained by the Administrator at Georges Court, 54–62 Townsend Street, Dublin 2, Ireland.



## Business Review and Future Developments

The Company is an open-ended investment company with variable capital and segregated liability between its sub-funds (the 'Funds'), organised under the laws of Ireland. The Company was incorporated on 28 September 2001.

Details of events during the year end are set out in Note 17 of the Financial Statements.

The Company will continue to act as an investment vehicle as set out in its Prospectus.

A detailed review of the Company's activities for the financial year ended 31 December 2023 is included in the Investment Manager's Reports.

## Risk Management Objectives and Policies

The principal risks and uncertainties faced by the Company are the investment risks associated with the portfolio of investments held for the account of each Fund and the operational risks associated with their management and administration. A more detailed analysis of some of the risks facing the Company is included in Note 10 of the Notes to the Financial Statements.

## Directors' Interests in Shares of the Company

Other than as disclosed in Note 8 to the Financial Statements, there were no contracts or agreements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year.

## Transactions with Connected Persons

Regulation 43(1) of the Central Bank UCITS Regulations requires that any transaction carried out with the Company by a management company or depositary to the Company, their respective delegates, and associated or group companies ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders. The Directors are satisfied that the Manager has arrangements (evidenced by written procedures) in place, to ensure that this obligation is applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the year complied with this obligation.

## Distributions

Distributions declared for the financial year are as set out in Note 13 to the Financial Statements.

## Corporate Governance Statement

The Company has adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies (the 'Code') issued by Irish Funds. The Company is organised in such a way to meet all the provisions of the Code with one exception. All of the Directors are independent of the Investment Managers although the Code includes a recommendation that an investment manager have a representative on a fund board. The Directors have considered this requirement and in their opinion, the absence of a representative of the Investment Managers on the board of the Company does not impair the ability of the board to function fully independently, objectively and effectively in the best interests of investors.

## Results

The results of operations for the financial year are set out in the Statement of Comprehensive Income.

## Significant Events During the Financial Year

Events which were significant during the financial year are set out in Note 17.

## Subsequent Events

Significant events since the financial year end date are detailed in Note 18.

## Directors Compliance Statement made in accordance with Section 225 of the Companies Act 2014

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined with the Companies Act 2014 (hereinafter called the 'Relevant Obligations').

The Directors confirm that they have drawn up and adopted a Compliance Policy Statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm the Company has put into place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations including reliance on the advice of persons employed by the Company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this Report relates.



## Report of the Directors continued

For the financial year ended 31 December 2023

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### Audit Committee

During the financial year ended 31 December 2023 the Company did not have an audit committee in place. The Board has decided not to establish an audit committee as this was deemed most appropriate to the Company's structure as a UCITS fund and the nature, scale and complexity of the Company's operations at this time.

### Statement on Relevant Audit Information

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditor

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, were appointed as the auditors of the Company on 22 October 2014. In accordance with Section 383 (2) of the Companies Act 2014, the auditors have indicated their willingness to continue in office.

On behalf of the Board

**David Hammond**  
Director

**Karen Nolan**  
Director

30 April 2024



## Report of the Depositary to the Shareholders

For the financial year ended 31 December 2023

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Polar Capital Funds plc ('the Company'), provide this report solely in favour of the shareholders of the Company for the year ended 31 December 2023 ('the Annual Accounting Period'). This report is provided in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law ('the Regulations'). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the shareholders of the Company as follows;

We are of the opinion that the Company has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.

For and on behalf of

**Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin 2

30 April 2024



## Independent Auditor's Report

to the shareholders of Polar Capital Funds plc

### Report on the audit of the financial statements

#### Opinion on the financial statements of Polar Capital Funds plc ('the company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 19, including material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards as adopted by the European Union ('IFRS') ('the relevant financial reporting framework').

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 ('the applicable Regulations').

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are described below in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ('ISAASA'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of directors

As explained more fully in the Directors Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

#### Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

### Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Christian MacManus**

**For and on behalf of Deloitte Ireland LLP**

Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

27 March 2024



## Portfolio Statements

As at 31 December 2023

## Artificial Intelligence Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Funds: 1.14% (2022: Nil)</b>			
<b>Ireland: 1.14% (2022: Nil)</b>			
5,096,000	Northern Trust Global Funds – US Dollar Fund	5,096,000	1.14
<b>Total Ireland</b>		<b>5,096,000</b>	<b>1.14</b>
<b>Total Investment Funds</b>		<b>5,096,000</b>	<b>1.14</b>
<b>Equities: 97.43% (2022: 98.02%)</b>			
<b>Communications: 13.81% (2022: 7.06%)</b>			
115,885	Alphabet	16,187,975	3.61
93,888	Amazon.com	14,265,343	3.18
43,188	Baidu	5,143,259	1.15
16,050	Meta Platforms	5,681,058	1.27
13,730	Netflix	6,684,862	1.49
83,004	Publicis Groupe	7,701,991	1.72
17,369	Spotify Technology	3,263,809	0.73
40,732	Trade Desk	2,931,075	0.66
<b>Total Communications</b>		<b>61,859,372</b>	<b>13.81</b>
<b>Consumer Discretionary: Nil (2022: 0.15%)</b>		<b>–</b>	<b>–</b>
<b>Consumer Staples: 1.27% (2022: 2.25%)</b>			
36,032	Walmart	5,680,445	1.27
<b>Total Consumer Staples</b>		<b>5,680,445</b>	<b>1.27</b>
<b>Consumer, Cyclical: 3.99% (2022: 3.35%)</b>			
51,977	Cie Financiere Richemont	7,148,266	1.60
81,085	Nitto Boseki	2,642,826	0.59
32,465	Tesla Inc.	8,066,903	1.80
<b>Total Consumer, Cyclical</b>		<b>17,857,995</b>	<b>3.99</b>
<b>Consumer, Non-cyclical: 3.15% (2022: 12.55%)</b>			
123,786	Evotec	2,909,832	0.65
21,607	Intuitive Surgical	7,289,337	1.63
638,291	Oxford Nanopore Technologies	1,694,110	0.38
4,999	S&P Global	2,202,159	0.49
<b>Total Consumer, Non-cyclical</b>		<b>14,095,438</b>	<b>3.15</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Energy: 3.64% (2022: 3.12%)</b>		
244,583	Baker Hughes	8,359,847	1.87
152,668	Schlumberger	7,944,843	1.77
	<b>Total Energy</b>	<b>16,304,690</b>	<b>3.64</b>
	<b>Financial: 6.95% (2022: 4.88%)</b>		
34,406	CrowdStrike	8,784,540	1.96
80,322	London Stock Exchange Group	9,496,065	2.12
1,978,888	Man Group plc	5,867,769	1.31
16,425	Mastercard	7,005,427	1.56
	<b>Total Financial</b>	<b>31,153,801</b>	<b>6.95</b>
	<b>Industrial: 19.25% (2022: 31.34%)</b>		
553,130	Atlas Copco	9,525,416	2.13
76,024	Cognex	3,173,242	0.71
51,526	DISCO	12,784,647	2.85
12,821	Eaton	3,087,553	0.69
27,541	Emerson Electric	2,680,565	0.60
111,103	Epiroc AB	2,229,149	0.50
187,950	Fuji Machine Manufacturing	3,232,932	0.72
202,950	Harmonic Drive Systems	5,988,594	1.34
86,500	Hoya	10,814,034	2.41
10,024	John Deere	4,008,297	0.89
5,063	Keyence	2,230,909	0.50
31,531	Rockwell Automation	9,789,745	2.18
716,020	Rotork	2,953,764	0.66
51,902	Schneider Electric	10,422,092	2.33
305,800	Shima Seiki Manufacturing	3,307,880	0.74
	<b>Total Industrial</b>	<b>86,228,819</b>	<b>19.25</b>
	<b>Materials: 0.65% (2022: Nil)</b>		
93,900	MEC JAPAN	2,927,298	0.65
	<b>Total Materials</b>	<b>2,927,298</b>	<b>0.65</b>



## Portfolio Statements continued

As at 31 December 2023

## Artificial Intelligence Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>Equities: 97.43% (2022: 98.02%) continued</b>					
<b>Technology: 44.72% (2022: 33.32%)</b>					
103,069	Advanced Micro Devices	15,193,401	3.39		
215,068	Advantest	7,317,926	1.63		
18,428	ASM International	9,566,533	2.14		
36,840	Datadog	4,471,639	1.00		
102,850	eMemory Technology	8,210,440	1.83		
45,700	GMO Payment Gateway	3,176,114	0.71		
17,180	KLA Corp	9,986,734	2.23		
144,400	Kokusai Electric Corp.	3,139,353	0.70		
1,006,100	Lite-On Technology	3,835,509	0.86		
145,904	Micron Technology	12,451,447	2.78		
66,815	Microsoft	25,125,113	5.61		
227,700	MinebeaMitsumi	4,681,433	1.04		
4,893	MongoDB	2,000,503	0.45		
7,435	Monolithic Power Systems	4,689,849	1.05		
53,508	NVIDIA	26,498,232	5.91		
33,212	Qualcomm	4,803,452	1.07		
664,000	Quanta Computer	4,857,138	1.08		
267,625	RELX	10,610,337	2.37		
142,336	Samsung Electronics	8,675,655	1.94		
21,882	Snowflake Inc.	4,354,518	0.97		
458,000	Taiwan Semiconductor Manufacturing	8,849,448	1.97		
1,125,000	Unimicron Technology	6,451,508	1.44		
59,239	Wolters Kluwer	8,421,917	1.88		
104,900	Zuken	3,006,072	0.67		
<b>Total Technology</b>		<b>200,374,271</b>	<b>44.72</b>		
<b>Total Equities</b>		<b>436,482,129</b>	<b>97.43</b>		
<b>Total Transferable Securities</b>		<b>441,578,129</b>	<b>98.57</b>		
<b>Open Forward Currency Contracts: Nil (2022: Nil)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 111,135	EUR 100,824	1.1023	02/01/2024	240	–
USD 40,650	GBP 31,943	1.2726	02/01/2024	71	–
USD 32,442	GBP 25,493	1.2726	02/01/2024	57	–
USD 16,665	EUR 15,119	1.1023	02/01/2024	36	–
Total unrealised gain on forward foreign currency contracts				404	–
<b>Total Financial Assets at fair value through profit or loss</b>		<b>441,578,533</b>	<b>98.57</b>		



	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 344,693,045)</b>	441,578,533	98.57
Cash at Bank	5,018,693	1.12
Other Net Assets	1,407,181	0.31
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	448,004,407	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

<b>Analysis of total assets</b>	<b>31 December 2023 % of Total Assets</b>	<b>31 December 2022 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	98.35	97.84
Other assets	1.65	2.16
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.

## Asian Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Funds: 0.30% (2022: Nil)</b>			
<b>Ireland: 0.30% (2022: Nil)</b>			
747,000	Northern Trust Global Funds – US Dollar Fund	747,000	0.30
	<b>Total Ireland</b>	<b>747,000</b>	<b>0.30</b>
	<b>Total Investment Funds</b>	<b>747,000</b>	<b>0.30</b>
<b>Equities: 100.28% (2022: 96.27%)</b>			
<b>Australia: 4.38% (2022: 3.27%)</b>			
4,196,775	Catapult International	3,951,864	1.61
604,192	Lynas Rare Earths	2,951,856	1.20
562,234	Telix Pharmaceuticals	3,867,095	1.57
	<b>Total Australia</b>	<b>10,770,815</b>	<b>4.38</b>
<b>Cayman Islands: 12.18% (2022: 23.22%)</b>			
83,110	Huazhu	2,779,198	1.13
380,346	Meituan Dianping	3,989,260	1.62
50,515	PINDUODUO	7,390,850	3.01
73,083	Sea ADR	2,959,862	1.20
340,833	Tencent	12,815,256	5.22
	<b>Total Cayman Islands</b>	<b>29,934,426</b>	<b>12.18</b>
<b>Hong Kong: 4.03% (2022: 7.02%)</b>			
1,136,137	AIA	9,901,214	4.03
	<b>Total Hong Kong</b>	<b>9,901,214</b>	<b>4.03</b>
<b>India: 20.12% (2022: 17.94%)</b>			
29,794	Apollo Hospitals	2,042,306	0.83
135,680	Ethos	3,405,707	1.39
479,290	HDFC Bank ADR	9,844,845	4.01
530,275	ICICI Bank	6,350,778	2.59
183,570	Jio Financial Services	513,889	0.21
102,194	MTAR Technologies	2,711,992	1.10
357,334	Phoenix Mills	9,638,909	3.92
191,487	Prestige Estates Projects	2,712,821	1.10
393,475	Reliance Industries – Restricted	12,222,898	4.97
	<b>Total India</b>	<b>49,444,145</b>	<b>20.12</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Indonesia: 3.66% (2022: Nil)</b>		
15,244,265	Merdeka Copper Gold	2,673,216	1.09
31,900,784	Mitra Adiperkasa	3,708,671	1.51
146,738,287	Nusantara Sejahtera Raya	2,604,022	1.06
	<b>Total Indonesia</b>	<b>8,985,909</b>	<b>3.66</b>
	<b>Japan: 2.96% (2022: 0.86%)</b>		
71,710	Advantest	2,440,012	0.99
128,243	Renesas Electronics	2,318,708	0.95
13,998	Tokyo Electron	2,507,586	1.02
	<b>Total Japan</b>	<b>7,266,306</b>	<b>2.96</b>
	<b>Jersey: 0.95% (2022: Nil)</b>		
306,597	Arcadium Lithium	2,345,204	0.95
	<b>Total Jersey</b>	<b>2,345,204</b>	<b>0.95</b>
	<b>Luxembourg: 2.04% (2022: Nil)</b>		
1,519,620	Samsonite International	5,011,201	2.04
	<b>Total Luxembourg</b>	<b>5,011,201</b>	<b>2.04</b>
	<b>Mauritius: 2.48% (2022: Nil)</b>		
129,616	MakeMyTrip	6,089,360	2.48
	<b>Total Mauritius</b>	<b>6,089,360</b>	<b>2.48</b>
	<b>People's Republic of China: 6.86% (2022: 7.50%)</b>		
749,881	Ganfeng Lithium	2,832,983	1.15
105,713	OPT Machine Vision Tech	1,662,761	0.68
430,626	Shenzhen Inovance Technology	3,818,460	1.56
91,986	StarPower Semiconductor	2,338,211	0.95
357,667	Sungrow Power Supply	4,399,637	1.79
282,748	Zhejiang Supcon Technology	1,800,778	0.73
	<b>Total People's Republic of China</b>	<b>16,852,830</b>	<b>6.86</b>


**Portfolio Statements** continued  
 As at 31 December 2023

**Asian Stars Fund** continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>Republic of South Korea: 17.51% (2022: 12.18%)</b>					
34,631	Daejoo Electronic Materials	2,323,254	0.95		
120,673	HPSP	4,108,635	1.67		
146,333	Ray Co /KR	2,596,249	1.06		
341,910	Samsung Electronics	20,840,077	8.48		
237,213	Samsung Engineering	5,341,390	2.17		
71,214	SK Hynix	7,824,195	3.18		
<b>Total Republic of South Korea</b>		<b>43,033,800</b>	<b>17.51</b>		
<b>Singapore: Nil (2022: 2.93%)</b>					
<b>Taiwan: 17.16% (2022: 16.33%)</b>					
130,472	Andes Technology	2,040,584	0.83		
794,955	Chroma ATE	5,517,193	2.25		
77,559	eMemory Technology	6,191,478	2.52		
341,866	Faraday Technology	3,976,676	1.62		
1,264,542	Taiwan Semiconductor Manufacturing	24,433,405	9.94		
<b>Total Taiwan</b>		<b>42,159,336</b>	<b>17.16</b>		
<b>Vietnam: 5.95% (2022: 5.02%)</b>					
866,775	FPT	3,433,232	1.40		
2,529,176	Vietnam Technological & Commercial Joint Stock Bank	3,314,970	1.35		
3,597,119	Vincom Retail	3,454,492	1.41		
2,475,411	Vinhomes	4,407,623	1.79		
<b>Total Vietnam</b>		<b>14,610,317</b>	<b>5.95</b>		
<b>Total Equities</b>		<b>246,404,863</b>	<b>100.28</b>		
<b>Total Transferable Securities</b>		<b>247,151,863</b>	<b>100.58</b>		
<b>Open Forward Currency Contracts: Nil (2022: Nil)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 176,549	EUR 160,229	–	02/01/2024	448	–
USD 6,187	GBP 4,865	–	02/01/2024	16	–
USD 117	GBP 92	–	02/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				<b>464</b>	<b>0.00</b>
<b>Total Financial Assets at fair value through profit or loss</b>		<b>247,152,327</b>	<b>100.58</b>		



	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 238,720,224)</b>	247,152,327	100.58
Cash at Bank	3,565,556	1.45
Other Net Liabilities	(4,990,216)	(2.03)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	245,727,667	100.00

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

<b>Analysis of total assets</b>	<b>31 December 2023 % of Total Assets</b>	<b>31 December 2022 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	98.28	95.88
Other assets	1.72	4.12
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.

## Biotechnology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Investment Funds: 2.02% (2022: Nil)</b>		
	<b>Ireland: 2.02% (2022: Nil)</b>		
32,362,000	Northern Trust Global Funds – US Dollar Fund	32,362,000	2.02
	<b>Total Ireland</b>	<b>32,362,000</b>	<b>2.02</b>
	<b>Total Investment Funds</b>	<b>32,362,000</b>	<b>2.02</b>
	<b>Equities: 99.45% (2022: 97.24%)</b>		
	<b>Diagnostic Kits: 0.32% (2022: 0.61%)</b>		
45,000,000	C4X Discovery	5,162,941	0.32
	<b>Total Diagnostic Kits</b>	<b>5,162,941</b>	<b>0.32</b>
	<b>Drug Delivery Systems: Nil (2022: 0.58%)</b>		
	<b>Health Care: 3.61% (2022: Nil)</b>		
1,250,000	Cabaletta Bio Inc	28,375,000	1.77
725,000	Vera Therapeutics	11,150,500	0.69
850,000	Viridian Therapeutics	18,513,000	1.15
	<b>Total Health Care</b>	<b>58,038,500</b>	<b>3.61</b>
	<b>Medical Labs &amp; Testing Services: 1.83% (2022: 1.79%)</b>		
1,250,000	Evotec	29,383,690	1.83
	<b>Total Medical Labs &amp; Testing Services</b>	<b>29,383,690</b>	<b>1.83</b>
	<b>Medical Products: 5.22% (2022: 4.06%)</b>		
3,500,000	NanoString Technologies	2,619,400	0.16
4,000,355	Renalytix	790,446	0.05
1,750,000	Rhythm Pharmaceuticals	80,447,500	5.01
	<b>Total Medical Products</b>	<b>83,857,346</b>	<b>5.22</b>
	<b>Medical-Biomedical/Gene: 72.93% (2022: 69.24%)</b>		
1,250,000	Akoya Biosciences	6,100,000	0.38
175,000	Alnylam Pharmaceuticals	33,496,750	2.09
225,000	Amgen	64,804,500	4.04
1,000,000	Apellis Pharmaceuticals	59,860,000	3.73
5,500,000	Arcutis Biotherapeutics	17,765,000	1.11
225,000	Argenx	85,375,638	5.32
725,000	Bavarian Nordic	19,064,105	1.19
300,000	Biogen	77,631,000	4.84
825,000	Blueprint Medicines	76,098,000	4.74
2,000,000	Calliditas Therapeutics	25,223,634	1.57
1,825,000	Celldex Therapeutics	72,379,500	4.51
1,200,000	Day One Biopharmaceuticals	17,520,000	1.09
1,850,000	Deciphera Pharmaceuticals	29,840,500	1.86



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 99.45% (2022: 97.24%)</b> continued			
<b>Medical-Biomedical/Gene: 72.93% (2022: 69.24%)</b> continued			
450,000	Denali Therapeutics	9,657,000	0.60
75,000	Genmab	23,950,299	1.49
895,725	Heidelberg Pharma AG	3,700,590	0.23
500,000	Immunocore	34,160,000	2.13
500,000	Insmed	15,495,000	0.96
925,000	Intra-Cellular Therapies	66,248,500	4.13
909,742	NewAmsterdam Pharma Co NV	10,161,818	0.64
750,000	Olema Pharmaceuticals	10,522,500	0.65
1,850,000	Pliant Therapeutics	33,503,500	2.09
120,000	Regeneron Pharmaceuticals	105,394,800	6.56
2,750,000	Scholar Rock Holdings	51,700,000	3.22
1,500,000	Swedish Orphan Biovitrum	39,740,619	2.47
2,500,000	Taysha Gene Therapies	4,425,000	0.28
5,000,000	Valneva	26,069,740	1.62
175,000	Vertex Pharmaceuticals	71,205,750	4.43
1,475,000	Xenon Pharmaceuticals	67,938,500	4.23
1,725,000	Y-mAbs Therapeutics	11,764,500	0.73
<b>Total Medical-Biomedical/Gene</b>		<b>1,170,796,743</b>	<b>72.93</b>
<b>Medical-Drugs: 13.28% (2022: 19.10%)</b>			
1,750,000	Avadel Pharmaceuticals ADR	24,710,000	1.54
1,000,000	Bicycle Therapeutics	18,080,000	1.13
150,000	Cytokinetics	12,523,500	0.78
1,000,000	Longboard Pharmaceuticals	6,030,000	0.38
450,000	Mirum Pharmaceuticals	13,284,000	0.83
500,000	Spyre Therapeutics	10,760,000	0.67
1,750,000	Supernus Pharmaceuticals	50,645,000	3.15
250,000	UCB	21,789,222	1.36
1,000,000	Zealand Pharma	55,302,407	3.44
<b>Total Medical-Drugs</b>		<b>213,124,129</b>	<b>13.28</b>
<b>Therapeutics: 2.26% (2022: 1.86%)</b>			
275,000	Neurocrine Biosciences	36,234,000	2.26
<b>Total Therapeutics</b>		<b>36,234,000</b>	<b>2.26</b>
<b>Total Equities</b>		<b>1,596,597,349</b>	<b>99.45</b>



## Portfolio Statements continued

As at 31 December 2023

## Biotechnology Fund continued

Holdings	Financial assets at fair value through profit or loss				Fair Value US\$	% of Net Assets
<b>Warrants: Nil (2022: Nil)</b>						
19,000,000	Wts. C4X Discovery 31-Dec-2040				0	–
<b>Total Warrants</b>					0	–
<b>Total Transferable Securities</b>					1,628,959,349	101.47
<b>Open Forward Currency Contracts: 0.02% (2022: Nil)</b>						
	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
	USD 61,742,995	GBP 48,728,146	1.2671	31/01/2024	384,689	0.02
	USD 239,883	GBP 189,584	1.2653	02/01/2024	1,799	–
	USD 375,776	EUR 341,752	1.0996	02/01/2024	1,740	–
	USD 331,809	EUR 301,766	1.0996	02/01/2024	1,537	–
	USD 535,495	EUR 485,750	1.1024	03/01/2024	1,089	–
	USD 357,103	EUR 323,930	1.1024	03/01/2024	726	–
	USD 314,406	GBP 247,051	1.2726	03/01/2024	535	–
	USD 37,125	GBP 29,330	1.2658	31/01/2024	270	–
	GBP 20,043	USD 25,599	1.2772	31/01/2024	45	–
	USD 4,574	GBP 3,610	1.2671	31/01/2024	28	–
	USD 4,618	EUR 4,191	1.1019	02/01/2024	12	–
	USD 4,078	EUR 3,701	1.1019	02/01/2024	10	–
	USD 3,395	GBP 2,669	1.2719	02/01/2024	8	–
	USD 909	GBP 718	1.2656	02/01/2024	7	–
	USD 2,197	GBP 1,727	1.2717	03/01/2024	5	–
	USD 438	GBP 344	1.2719	31/01/2024	1	–
	USD 276	GBP 217	1.2719	31/01/2024	1	–
	USD 13	GBP 10	1.2713	02/01/2024	–	–
	GBP 74	USD 94	1.2789	31/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>					392,502	0.02
<b>Total Financial Assets at fair value through profit or loss</b>					1,629,351,851	101.49



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: (0.03%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
EUR 145,365	USD 160,231	1.1023	02/01/2024	(346)	–
EUR 117,582	USD 129,607	1.1023	02/01/2024	(280)	–
GBP 66,765	USD 84,963	1.2726	02/01/2024	(149)	–
EUR 23,394	USD 25,787	1.1023	02/01/2024	(56)	–
USD 6,483	GBP 5,076	1.2772	31/01/2024	(11)	–
GBP 718	USD 909	1.2658	31/01/2024	(6)	–
GBP 1,727	USD 2,197	1.2719	31/01/2024	(5)	–
GBP 217	USD 275	1.2717	02/01/2024	(1)	–
GBP 10	USD 13	1.2723	31/01/2024	–	–
GBP 276	USD 352	1.2742	31/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(854)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(854)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$1,561,698,686)</b>	1,629,350,997	101.49
Cash at Bank	19,422,824	1.21
Other Net Liabilities	(43,311,179)	(2.70)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	1,605,462,642	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.24	96.40
OTC Financial derivative instruments	0.02	–
Other assets	1.74	3.60
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Portfolio Statements continued

As at 31 December 2023

## China Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 94.06% (2022: 99.12%)</b>			
<b>Communications: 22.17% (2022: 28.89%)</b>			
2,394	Alibaba ADR	185,559	1.57
50,200	Alibaba Group	486,021	4.12
1,934	JD.com Inc	55,873	0.47
31,360	Meituan Dianping Class B	328,919	2.79
3,662	NetEase	65,938	0.56
4,574	Prosus	136,346	1.16
27,075	Tencent	1,018,015	8.64
5,000	Trip.com	177,754	1.51
4,413	Trip.com ADR	158,912	1.35
<b>Total Communications</b>		<b>2,613,337</b>	<b>22.17</b>
<b>Consumer Discretionary: 10.04% (2022: 5.04%)</b>			
20,800	ANTA Sports Products	201,779	1.71
8,700	Huazhu	29,247	0.25
11,252	Huazhu ADR	376,267	3.19
5,123	JD.com Inc Class A	73,808	0.63
3,431	PINDUODUO	501,990	4.26
<b>Total Consumer Discretionary</b>		<b>1,183,091</b>	<b>10.04</b>
<b>Consumer Staples: Nil (2022: 1.52%)</b>			
<b>Consumer, Cyclical: 7.75% (2022: 8.22%)</b>			
8,000	BYD	219,656	1.86
157,000	China Meidong Auto	95,504	0.81
59,200	Midea	454,189	3.85
43,800	Samsonite International	144,438	1.23
<b>Total Consumer, Cyclical</b>		<b>913,787</b>	<b>7.75</b>
<b>Consumer, Non-cyclical: 10.95% (2022: 11.94%)</b>			
23,900	Centre Testing International	47,662	0.41
45,611	China Building Material Test & Certification	53,806	0.46
507,292	China Foods	191,001	1.62
31,276	China Resources Sanjiu Medical & Pharmaceutical	218,430	1.85
33,825	Foshan Haitian Flavouring & Food	180,274	1.53
41,186	Jiangsu Hengrui Medicine	261,613	2.22
173,500	ManpowerGreater China	133,315	1.13
403,001	Microport Cardioflow Medtech	83,609	0.71
46,000	Sinopharm	120,471	1.02
<b>Total Consumer, Non-cyclical</b>		<b>1,290,181</b>	<b>10.95</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 94.06% (2022: 99.12%)</b> continued		
	<b>Energy: 0.74% (2022: 0.31%)</b>		
3,780	Contemporary Amperex Technology Co Ltd	86,667	0.74
	<b>Total Energy</b>	<b>86,667</b>	<b>0.74</b>
	<b>Financial: 13.63% (2022: 14.74%)</b>		
42,605	Binjiang Service Group Co Ltd	90,027	0.76
836,000	China Construction Bank	497,839	4.23
53,000	China Merchants Bank Class A	207,070	1.76
53,500	China Merchants Bank Class H	186,360	1.58
7,500	Hong Kong Exchanges & Clearing	257,410	2.18
62,500	Longfor	100,051	0.85
24,100	Ping An Insurance Group of China Class A	136,397	1.16
29,000	Ping An Insurance Group of China Class H	131,285	1.11
	<b>Total Financial</b>	<b>1,606,439</b>	<b>13.63</b>
	<b>Health Care: 0.49% (2022: 0.86%)</b>		
322	BeiGene	58,076	0.49
	<b>Total Health Care</b>	<b>58,076</b>	<b>0.49</b>
	<b>Industrial: 14.75% (2022: 13.21%)</b>		
299,000	China State Construction Development	88,070	0.75
76,700	CLSA Centre Testing International	153,569	1.30
122,478	Hefei Meiya Optoelectronic Technology	337,818	2.87
58,746	Hongfa Technology	228,034	1.94
30,400	Jiangsu Hengli Hydraulic	233,446	1.98
1,205	Leader Harmonious Drive Systems	26,080	0.22
60,000	Morimatsu International	42,261	0.36
1,598	OPT Machine Vision Tech	25,135	0.21
19,530	S.F. Holding Co Ltd	110,807	0.94
50,550	Shenzhen Inovance Technology	448,239	3.80
7,000	Zhejiang Supcon Technology	44,582	0.38
	<b>Total Industrial</b>	<b>1,738,041</b>	<b>14.75</b>
	<b>Materials: 1.41% (2022: 1.18%)</b>		
51,000	Anhui Conch Cement	117,824	1.00
18,100	Beijing Oriental Yuhong Waterproof Technology	48,805	0.41
	<b>Total Materials</b>	<b>166,629</b>	<b>1.41</b>
	<b>Participatory Notes: 0.44% (2022: 1.56%)</b>		
1,800	CLSA Beijing Oriental Yuhong Waterproof Technology	4,873	0.04
2,953	CLSA OPT Machine Vision Tech	46,634	0.40
	<b>Total Participatory Notes</b>	<b>51,507</b>	<b>0.44</b>

## China Stars Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 94.06% (2022: 99.12%)</b> continued		
	<b>Real Estate: 1.41% (2022: 1.73%)</b>		
10,243	KE Holdings Inc ADS	166,039	1.41
	<b>Total Real Estate</b>	<b>166,039</b>	<b>1.41</b>
	<b>Technology: 10.28% (2022: 9.92%)</b>		
4,477	Beijing Huafeng Test & Control Technology	77,209	0.65
72,311	Dadi Early-Childhood Education	119,221	1.01
30,383	Glodon	73,135	0.62
18,300	Hundsun Technologies	73,913	0.63
2,000	MediaTek Inc	66,144	0.56
906	NetEase ADR	84,403	0.72
8,000	Silergy	130,334	1.11
3,600	StarPower Semiconductor	91,509	0.78
18,000	Taiwan Semiconductor Manufacturing	347,795	2.95
1,419	Taiwan Semiconductor Manufacturing ADR	147,576	1.25
	<b>Total Technology</b>	<b>1,211,239</b>	<b>10.28</b>
	<b>Total Equities</b>	<b>11,085,033</b>	<b>94.06</b>
	<b>Total Transferable Securities</b>	<b>11,085,033</b>	<b>94.06</b>
		<b>Fair Value US\$</b>	<b>% of Net Assets</b>
	<b>Total Value of Investments (Cost: US\$ 13,278,086)</b>	<b>11,085,033</b>	<b>94.06</b>
	Cash at Bank	861,197	7.31
	Other Net Liabilities	(160,644)	(1.37)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>11,785,586</b>	<b>100.00</b>

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	92.60	96.54
Other assets	7.40	3.46
	<b>100.00</b>	<b>100.00</b>

The % of Net Assets was rounded to Nil if the amount is less than 0.01%.



## Emerging Market ex-China Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 97.01% (2022: Nil)</b>			
<b>Communications: 6.05% (2022: Nil)</b>			
640	MakeMyTrip	30,067	2.78
19	MercadoLibre	29,859	2.76
136	Sea ADR	5,508	0.51
<b>Total Communications</b>		<b>65,434</b>	<b>6.05</b>
<b>Consumer Discretionary: 4.99% (2022: Nil)</b>			
839	Ethos	21,060	1.95
148,548	Mitra Adiperkasa	17,270	1.60
5,500	Mobile World Investment	9,703	0.90
327,779	Nusantara Sejahtera Raya	5,833	0.54
<b>Total Consumer Discretionary</b>		<b>53,866</b>	<b>4.99</b>
<b>Consumer Staples: 1.24% (2022: Nil)</b>			
2,216	Raia Drogasil	13,412	1.24
<b>Total Consumer Staples</b>		<b>13,412</b>	<b>1.24</b>
<b>Consumer, Non-cyclical: 3.20% (2022: Nil)</b>			
202	Apollo Hospitals	13,847	1.28
7,733	Oncoclinicas do Brasil Servicos Medicos	20,695	1.92
<b>Total Consumer, Non-cyclical</b>		<b>34,542</b>	<b>3.20</b>
<b>Energy: 4.47% (2022: Nil)</b>			
1,556	Reliance Industries – Restricted	48,335	4.47
<b>Total Energy</b>		<b>48,335</b>	<b>4.47</b>
<b>Financial: 20.57% (2022: Nil)</b>			
1,180	Alinma Bank	12,193	1.13
6,042	B3 SA – Brasil Bolsa Balcao	18,098	1.67
3,460	Grupo Financiero Banorte	34,889	3.23
1,706	HDFC Bank ADR	35,042	3.24
2,073	ICICI Bank	24,827	2.30
3,499	Itau Unibanco	24,469	2.26
1,471	Jio Financial Services	4,118	0.38
1,369	Phoenix Mills	36,928	3.41
795	Prestige Estates Projects	11,263	1.04
10,996	Vincom Retail	10,560	0.97
5,690	Vinhomes	10,131	0.94
<b>Total Financial</b>		<b>222,518</b>	<b>20.57</b>

## Emerging Market ex-China Stars Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Health Care: 2.49% (2022: Nil)</b>		
445	Nahdi Medical	16,258	1.50
602	Ray Co	10,681	0.99
	<b>Total Health Care</b>	<b>26,939</b>	<b>2.49</b>
	<b>Industrial: 12.49% (2022: Nil)</b>		
3,497	Chroma ATE	24,270	2.24
247	Daejoo Electronic Materials	16,570	1.53
1,166	Grupo Aeroportuario del Centro Norte	12,377	1.14
5,325	Grupo Traxion	10,946	1.01
357	KEI Industries	13,941	1.29
371	MTAR Technologies	9,845	0.91
945	Samsung Engineering	21,279	1.97
161	Voltronic Power Technology	8,971	0.83
2,236	WEG	16,990	1.57
	<b>Total Industrial</b>	<b>135,189</b>	<b>12.49</b>
	<b>Materials: 6.90% (2022: Nil)</b>		
1,901	Arcadium Lithium	14,541	1.35
888	Bioceres Crop Solutions	12,192	1.13
3,842	Ivanhoe Mines	37,441	3.46
59,260	Merdeka Copper Gold	10,392	0.96
	<b>Total Materials</b>	<b>74,566</b>	<b>6.90</b>
	<b>Real Estate: 2.90% (2022: Nil)</b>		
10,910	Aldar Properties	15,892	1.47
3,883	Corp Inmobiliaria Vesta	15,462	1.43
	<b>Total Real Estate</b>	<b>31,354</b>	<b>2.90</b>
	<b>Technology: 31.71% (2022: Nil)</b>		
661	Andes Technology	10,338	0.96
376	eMemory Technology	30,016	2.78
1,675	Faraday Technology	19,484	1.80
108	Globant	25,702	2.38
415	HPSP	14,130	1.31
1,567	Samsung Electronics	95,511	8.83
235	SK Hynix	25,819	2.39
5,504	Taiwan Semiconductor Manufacturing	106,348	9.83
2,228	TOTVS	15,452	1.43
	<b>Total Technology</b>	<b>342,800</b>	<b>31.71</b>
	<b>Total Equities</b>	<b>1,048,955</b>	<b>97.01</b>
	<b>Total Transferable Securities</b>	<b>1,048,955</b>	<b>97.01</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Total Value of Investments (Cost: US\$ 963,487)</b>	1,048,955	97.01
	Cash at Bank	40,177	3.72
	Other Net Liabilities	(7,794)	(0.73)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	1,081,338	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.89	–
Other assets	4.11	–
	100.00	–

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Portfolio Statements continued

As at 31 December 2023

## Emerging Market Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Funds: 2.02% (2022: Nil)</b>			
<b>Ireland: 2.02% (2022: Nil)</b>			
30,056,000	Northern Trust Global Funds – US Dollar Fund	30,056,000	2.02
<b>Total Ireland</b>		<b>30,056,000</b>	<b>2.02</b>
<b>Total Investment Funds</b>		<b>30,056,000</b>	<b>2.02</b>
<b>Equities: 98.74% (2022: 97.56%)</b>			
<b>Australia: Nil (2022: 2.26%)</b>			
<b>Brazil: 6.60% (2022: 4.30%)</b>			
8,083,313	B3 SA – Brasil Bolsa Balcao	24,211,999	1.63
4,929,179	Itau Unibanco	34,470,564	2.33
3,314,572	Raia Drogasil	20,061,021	1.35
2,766,197	TOTVS	19,185,025	1.29
<b>Total Brazil</b>		<b>97,928,609</b>	<b>6.60</b>
<b>Canada: 3.00% (2022: 2.96%)</b>			
4,569,333	Ivanhoe Mines	44,528,992	3.00
<b>Total Canada</b>		<b>44,528,992</b>	<b>3.00</b>
<b>Cayman Islands: 7.51% (2022: 23.40%)</b>			
971,785	Bioceres Crop Solutions	13,342,608	0.90
2,009,080	Meituan Dianping	21,072,242	1.42
294,689	Sea ADR	11,934,904	0.80
1,730,261	Tencent	65,057,486	4.39
<b>Total Cayman Islands</b>		<b>111,407,240</b>	<b>7.51</b>
<b>Hong Kong: 2.73% (2022: 3.11%)</b>			
2,739,357	AIA	23,872,965	1.61
5,033,302	Samsonite International	16,598,156	1.12
<b>Total Hong Kong</b>		<b>40,471,121</b>	<b>2.73</b>
<b>India: 17.08% (2022: 17.02%)</b>			
230,848	Apollo Hospitals	15,824,068	1.07
2,364,853	HDFC Bank ADR	48,575,205	3.27
2,631,016	ICICI Bank	31,510,064	2.12
1,659,282	Jio Financial Services	4,645,023	0.31
489,679	MTAR Technologies	12,994,945	0.88
2,258,921	Phoenix Mills	60,933,284	4.11
1,152,496	Prestige Estates Projects	16,327,560	1.10
2,014,200	Reliance Industries – Restricted	62,569,062	4.22
<b>Total India</b>		<b>253,379,211</b>	<b>17.08</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 98.74% (2022: 97.56%)</b> continued		
	<b>Indonesia: 1.86% (2022: Nil)</b>		
59,263,546	Merdeka Copper Gold	10,392,386	0.70
147,618,908	Mitra Adiperkasa	17,161,645	1.16
	<b>Total Indonesia</b>	<b>27,554,031</b>	<b>1.86</b>
	<b>Jersey: 1.02% (2022: Nil)</b>		
1,975,808	Arcadium Lithium	15,113,240	1.02
	<b>Total Jersey</b>	<b>15,113,240</b>	<b>1.02</b>
	<b>Luxembourg: 2.21% (2022: 1.64%)</b>		
137,828	Globant	32,800,308	2.21
	<b>Total Luxembourg</b>	<b>32,800,308</b>	<b>2.21</b>
	<b>Mauritius: 2.02% (2022: Nil)</b>		
637,413	MakeMyTrip	29,945,663	2.02
	<b>Total Mauritius</b>	<b>29,945,663</b>	<b>2.02</b>
	<b>Mexico: 4.51% (2022: 1.46%)</b>		
3,081,533	Corp Inmobiliaria Vesta	12,270,086	0.83
4,301,807	Grupo Financiero Banorte	43,377,517	2.92
5,456,404	Grupo Traxion	11,216,004	0.76
	<b>Total Mexico</b>	<b>66,863,607</b>	<b>4.51</b>
	<b>People's Republic of China: 9.91% (2022: 6.19%)</b>		
3,051,229	Ganfeng Lithium	11,527,269	0.78
3,809,027	Huazhu	12,804,805	0.86
843,737	OPT Machine Vision Tech	13,271,149	0.90
275,742	Pinduoduo	40,343,812	2.72
2,264,139	Shenzhen Inovance Technology	20,076,642	1.35
636,800	StarPower Semiconductor	16,186,950	1.09
1,619,035	Sungrow Power Supply	19,915,636	1.34
2,034,783	SUPCON Technology	12,959,218	0.87
	<b>Total People's Republic of China</b>	<b>147,085,481</b>	<b>9.91</b>
	<b>Republic of South Korea: 14.53% (2022: 11.28%)</b>		
218,619	Daejoo Electronic Materials	14,666,264	0.99
524,943	HPSP	17,873,088	1.20
672,549	Ray Co	11,932,405	0.80
1,856,993	Samsung Electronics	113,187,321	7.63
1,000,377	Samsung Engineering	22,525,765	1.52
322,123	SK Hynix	35,391,261	2.39
	<b>Total Republic of South Korea</b>	<b>215,576,104</b>	<b>14.53</b>

## Emerging Market Stars Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>Equities: 98.74% (2022: 97.56%)</b> continued					
<b>Saudi Arabia: 1.22% (2022: 1.76%)</b>					
1,747,789	Alinma Bank	18,060,486	1.22		
	<b>Total Saudi Arabia</b>	<b>18,060,486</b>	<b>1.22</b>		
<b>Singapore: Nil (2022: 0.85%)</b>					
<b>Taiwan: 16.43% (2022: 14.94%)</b>					
716,353	Andes Technology	11,203,775	0.75		
4,602,415	Chroma ATE	31,941,949	2.15		
453,247	eMemory Technology	36,182,374	2.44		
1,674,253	Faraday Technology	19,475,353	1.31		
7,506,614	Taiwan Semiconductor Manufacturing	145,042,345	9.78		
	<b>Total Taiwan</b>	<b>243,845,796</b>	<b>16.43</b>		
<b>United Arab Emirates: 1.45% (2022: Nil)</b>					
14,778,759	Aldar Properties	21,527,836	1.45		
	<b>Total United Arab Emirates</b>	<b>21,527,836</b>	<b>1.45</b>		
<b>United States: 2.69% (2022: 2.39%)</b>					
25,364	MercadoLibre	39,860,541	2.69		
	<b>Total United States</b>	<b>39,860,541</b>	<b>2.69</b>		
<b>Vietnam: 3.97% (2022: 4.00%)</b>					
2,931,664	FPT	11,612,106	0.78		
12,957,951	Vietnam Technological & Commercial Joint Stock Bank	16,983,877	1.15		
13,926,293	Vincom Retail	13,374,109	0.90		
9,513,453	Vinhomes	16,939,295	1.14		
	<b>Total Vietnam</b>	<b>58,909,387</b>	<b>3.97</b>		
	<b>Total Equities</b>	<b>1,464,857,653</b>	<b>98.74</b>		
	<b>Total Transferable Securities</b>	<b>1,494,913,653</b>	<b>100.76</b>		
<b>Open Forward Currency Contracts: Nil (2022: Nil)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 328,766	GBP 258,560	1.2715	02/01/2024	846	–
USD 172,438	GBP 135,615	1.2715	02/01/2024	444	–
USD 55,336	GBP 43,520	1.2715	02/01/2024	142	–
USD 32,929	GBP 25,897	1.2715	02/01/2024	85	–
	<b>Total unrealised gain on forward foreign currency contracts</b>			<b>1,517</b>	<b>0.00</b>
	<b>Total Financial Assets at fair value through profit or loss</b>	<b>1,494,915,170</b>			<b>100.76</b>



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
USD 261,267	SEK 2,618,570	0.0998	02/01/2024	(1,433)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(1,433)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(1,433)	0.00

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 1,426,740,802)</b>	1,494,913,737	100.76
Cash at Bank	20,307,308	1.37
Other Net Liabilities	(31,606,759)	(2.13)
Net Assets Attributable to Holders of Redeemable Participating Shares	1,483,614,286	100.00

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.87	95.38
Other assets	2.13	4.62
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Portfolio Statements continued

As at 31 December 2023

## European ex UK Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
<b>Equities: 98.14% (2022: 99.67%)</b>			
<b>Basic Materials: 7.82% (2022: 9.75%)</b>			
82,872	Akzo Nobel	6,200,483	2.12
87,592	Brenntag	7,289,406	2.49
275,887	UPM-Kymmene	9,396,711	3.21
<b>Total Basic Materials</b>		<b>22,886,600</b>	<b>7.82</b>
<b>Communications: 15.11% (2022: 15.31%)</b>			
517,885	Deutsche Telekom	11,263,999	3.84
2,845,429	Koninklijke KPN	8,872,048	3.03
1,772,893	NOS	5,673,257	1.94
902,816	Orange	9,302,616	3.18
1,177,320	Telenet	9,152,059	3.12
<b>Total Communications</b>		<b>44,263,979</b>	<b>15.11</b>
<b>Consumer Discretionary: Nil (2022: 1.77%)</b>		<b>–</b>	<b>–</b>
<b>Consumer Staples: 9.51% (2022: Nil)</b>			
79,096	Carlsberg	8,984,896	3.07
154,898	Coca-Cola Europacific Partners	9,358,523	3.20
59,482	Pernod Ricard	9,502,250	3.24
<b>Total Consumer Staples</b>		<b>27,845,669</b>	<b>9.51</b>
<b>Consumer, Cyclical: Nil (2022: 3.38%)</b>		<b>–</b>	<b>–</b>
<b>Consumer, Non-cyclical: 20.04% (2022: 22.85%)</b>			
185,921	Danone	10,909,844	3.73
131,209	Novartis	11,977,374	4.09
53,235	Roche	13,999,737	4.78
145,506	Sanofi	13,060,619	4.46
139,002	Societe BIC	8,736,276	2.98
<b>Total Consumer, Non-cyclical</b>		<b>58,683,850</b>	<b>20.04</b>
<b>Energy: 4.92% (2022: 4.94%)</b>			
234,120	TotalEnergies	14,421,792	4.92
<b>Total Energy</b>		<b>14,421,792</b>	<b>4.92</b>
<b>Financial: 17.98% (2022: 19.74%)</b>			
22,419	Muenchener Rueckversicherungs-Gesellschaftin Muenchen	8,409,367	2.87
187,000	Sampo Plc	7,407,070	2.53
285,672	SCOR	7,558,881	2.58
95,649	Swiss Re	9,728,181	3.32
433,736	TRYG	8,547,222	2.92
23,274	Zurich Insurance Group	11,004,555	3.76
<b>Total Financial</b>		<b>52,655,276</b>	<b>17.98</b>



Holdings	Financial assets at fair value through profit or loss			Fair Value EUR€	% of Net Assets
<b>Equities: 98.14% (2022: 99.67%)</b> continued					
<b>Industrial: 22.76% (2022: 21.93%)</b>					
389,606	Bureau Veritas			8,910,289	3.04
319,533	Cia de Distribucion Integral Logista			7,822,168	2.67
217,147	Deutsche Post			9,740,129	3.33
526,495	Getlink			8,721,390	2.98
119,010	SGS			9,285,489	3.17
68,842	Siemens			11,697,632	3.99
92,273	Vinci			10,491,440	3.58
<b>Total Industrial</b>				<b>66,668,537</b>	<b>22.76</b>
<b>Total Equities</b>				<b>287,425,703</b>	<b>98.14</b>
<b>Total Transferable Securities</b>				<b>287,425,703</b>	<b>98.14</b>
<b>Open Forward Currency Contracts: Nil (2022: Nil)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain EUR€	% of Net Assets
EUR 2,402,378	GBP 2,083,741	1.1529	31/01/2024	175	–
EUR 2,362,171	GBP 2,048,867	1.1529	31/01/2024	172	–
EUR 20,432	GBP 17,786	1.1488	31/01/2024	75	–
EUR 529,912	GBP 459,628	1.1529	31/01/2024	39	–
EUR 494,908	GBP 429,267	1.1529	31/01/2024	36	–
EUR 5,420	GBP 4,718	1.1488	31/01/2024	20	–
EUR 3,475	GBP 3,022	1.1500	31/01/2024	9	–
EUR 34,015	GBP 29,508	1.1527	31/01/2024	8	–
EUR 1,704	GBP 1,482	1.1500	31/01/2024	5	–
EUR 37,254	GBP 32,285	1.1539	02/01/2024	4	–
EUR 18,032	GBP 15,627	1.1539	02/01/2024	2	–
EUR 2,044	GBP 1,771	1.1539	02/01/2024	–	–
GBP 3,000	EUR 3,459	1.1531	31/01/2024	–	–
EUR 2,772	GBP 2,402	1.1539	02/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				<b>545</b>	<b>–</b>
<b>Total Financial Assets at fair value through profit or loss</b>				<b>287,426,248</b>	<b>98.14</b>



## European ex UK Income Fund continued

Financial liabilities at fair value through profit or loss						
Open Forward Currency Contracts: Nil (2022: (0.02%))						
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss EUR€	% of Net Assets	
GBP 3,000	EUR 3,446	1.1488	31/01/2024	(13)	–	
GBP 1,000	EUR 1,150	1.1500	31/01/2024	(3)	–	
EUR 3,463	GBP 3,000	1.1544	02/01/2024	(1)	–	
EUR 161	GBP 140	1.1531	31/01/2024	–	–	
EUR 2,417	GBP 2,096	1.1531	31/01/2024	–	–	
<b>Total unrealised loss on forward foreign currency contracts</b>				(17)	0.00	
<b>Total Financial Liabilities at fair value through profit or loss</b>				(17)	0.00	
				Fair Value EUR€	% of Net Assets	
<b>Total Value of Investments (Cost: EUR€ 274,106,817)</b>				287,426,231	98.14	
Cash at Bank				5,561,714	1.90	
Other Net Liabilities				(121,734)	(0.04)	
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				292,866,211	100.00	

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.06	95.18
Other assets	1.94	4.82
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Financial Credit Fund (formerly Income Opportunities Fund)

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Corporate Bonds: 80.22% (2022: 38.03%)</b>			
<b>Australia: 4.94% (2022: Nil)</b>			
750,000	Australia & New Zealand Banking 1.809% 16/09/2031	674,164	2.66
650,000	National Australia Bank 1.699% 15/09/2031	580,161	2.28
<b>Total Australia</b>		<b>1,254,325</b>	<b>4.94</b>
<b>Bermuda: 2.65% (2022: 1.31%)</b>			
1,000,000	Lancashire 5.625% 18/09/2041	673,635	2.65
<b>Total Bermuda</b>		<b>673,635</b>	<b>2.65</b>
<b>Cyprus: 2.77% (2022: 0.93%)</b>			
400,000	Bank of Cyprus 11.875% 29/12/2049	371,307	1.46
350,000	Hellenic Bank 10.250% 14/06/2033	333,601	1.31
<b>Total Cyprus</b>		<b>704,908</b>	<b>2.77</b>
<b>France: Nil (2022: 0.87%)</b>			
<b>Germany: 4.47% (2022: Nil)</b>			
300,000	Commerzbank 8.625% 28/02/2033	319,594	1.26
400,000	Commerzbank 6.500% 31/12/2049	330,161	1.30
500,000	Deutsche Bank 2.625% 16/12/2024	484,819	1.91
<b>Total Germany</b>		<b>1,134,574</b>	<b>4.47</b>
<b>Greece: 4.28% (2022: Nil)</b>			
650,000	Eurobank Ergasias 10.000% 06/12/2032	632,283	2.49
500,000	Piraeus Financial Holdings 7.250% 13/07/2028	454,759	1.79
<b>Total Greece</b>		<b>1,087,042</b>	<b>4.28</b>
<b>Ireland: 5.03% (2022: 3.96%)</b>			
850,000	AIB Group 6.250% 31/12/2049	731,939	2.88
4,000,000	International Person Finance 9.870% 19/10/2024	298,897	1.18
300,000	Permanent TSB 3.000% 19/08/2031	246,143	0.97
<b>Total Ireland</b>		<b>1,276,979</b>	<b>5.03</b>
<b>Italy: 7.34% (2022: Nil)</b>			
380,000	Intesa Sanpaolo 6.500% 14/03/2029	386,381	1.52
750,000	Intesa Sanpaolo 8.505% 20/09/2032	816,920	3.22
350,000	Intesa Sanpaolo 5.875% 31/12/2049	274,328	1.08
500,000	UniCredit 4.450% 31/12/2049	386,469	1.52
<b>Total Italy</b>		<b>1,864,098</b>	<b>7.34</b>
<b>Luxembourg: 0.77% (2022: Nil)</b>			
2,500,000	Avanzia Bank FRN 13.11007/12/2099	194,525	0.77
<b>Total Luxembourg</b>		<b>194,525</b>	<b>0.77</b>



## Portfolio Statements continued

As at 31 December 2023

## Financial Credit Fund (formerly Income Opportunities Fund) continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Corporate Bonds: 80.22% (2022: 38.03%)</b> continued			
<b>Netherlands: 2.34% (2022: 1.53%)</b>			
600,000	ING Groep 1.125% 07/12/2028	527,345	2.07
100,000	NIBC Bank 3.715% 31/12/2049	68,163	0.27
<b>Total Netherlands</b>		<b>595,508</b>	<b>2.34</b>
<b>Norway: 2.46% (2022: Nil)</b>			
400,000	DNB Bank 5.900% 31/12/2049	312,794	1.23
4,000,000	Protector Forsikring 8.620% 07/03/2054	311,325	1.23
<b>Total Norway</b>		<b>624,119</b>	<b>2.46</b>
<b>Portugal: 2.93% (2022: 0.38%)</b>			
500,000	Caixa Economica Montepio Geral 10.000% 30/10/2026	454,868	1.79
300,000	Novo Banco 9.875% 01/12/2033	288,554	1.14
<b>Total Portugal</b>		<b>743,422</b>	<b>2.93</b>
<b>Spain: 6.80% (2022: 0.98%)</b>			
400,000	Banco Bilbao Vizcaya Argentaria 7.883% 15/11/2034	342,284	1.35
600,000	Banco De Sabadell 5.000% 20/05/2027	448,805	1.77
600,000	CaixaBank 6.875% 25/10/2033	613,149	2.41
400,000	CaixaBank 5.250% 31/12/2049	322,963	1.27
<b>Total Spain</b>		<b>1,727,201</b>	<b>6.80</b>
<b>Sweden: 0.78% (2022: Nil)</b>			
2,500,000	VEF AB 10.516% 08/12/2026	197,513	0.78
<b>Total Sweden</b>		<b>197,513</b>	<b>0.78</b>
<b>Switzerland: Nil (2022: 2.22%)</b>			
<b>United Kingdom: 28.94% (2022: 24.33%)</b>			
150,000	Admiral Group 8.500% 06/01/2034	165,070	0.65
400,000	Barclays 4.635% 31/12/2049	322,499	1.27
390,000	Brit Insurance 3.676% 09/12/2030	298,350	1.17
225,000	Chesnara 4.750% 04/08/2032	166,952	0.66
200,000	HSBC Capital Funding Dollar 1 10.176% 31/12/2049	199,548	0.79
825,000	IG 3.125% 18/11/2028	721,841	2.84
100,000	Intermediate Capital Group 2.500% 28/01/2030	76,637	0.30
700,000	International Personal Finance 9.750% 12/11/2025	594,195	2.34
150,000	Investec 9.125% 06/03/2033	157,592	0.62
250,000	Jupiter Fund Management FRN 8.87527/07/2030	250,599	0.99
350,000	Legal & General 5.625% 29/12/2049	297,987	1.17
4,500	Nationwide Building Society 10.250% 29/06/2049	586,656	2.31



Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Corporate Bonds: 80.22% (2022: 38.03%)</b> continued		
	<b>United Kingdom: 28.94% (2022: 24.33%)</b> continued		
500,000	OSB Group 9.500% 07/09/2028	515,050	2.03
300,000	OSB Group 9.993% 27/07/2033	295,119	1.16
200,000	Pension Insurance 8.000% 13/11/2033	214,653	0.85
400,000	Pension Insurance FRN (Perpetual) 7.37531/12/2049	376,108	1.48
400,000	Provident Financial 8.875% 13/01/2032	353,330	1.39
300,000	RL Finance Bonds NO 6 10.125% 31/12/2049	319,500	1.26
250,000	Rothsay Life 5.000% 31/12/2049	177,897	0.70
425,000	Rothsay Life FRN (Perpetual) 6.87531/12/2049	384,062	1.51
300,000	Shawbrook 12.103% 31/12/2049	277,875	1.09
600,000	Shawbrook 12.250% 04/01/2034	599,250	2.36
	<b>Total United Kingdom</b>	<b>7,350,770</b>	<b>28.94</b>
	<b>United States: 3.72% (2022: 1.52%)</b>		
1,000,000	JPMorgan Chase 0.991% 28/04/2026	944,857	3.72
	<b>Total United States</b>	<b>944,857</b>	<b>3.72</b>
	<b>Total Corporate Bonds</b>	<b>20,373,476</b>	<b>80.22</b>
	<b>Government Bonds: 5.75% (2022: 2.85%)</b>		
	<b>United States: 5.75% (2022: 2.85%)</b>		
600,000	United States Treasury Note/Bond 5.000% 30/09/2025	475,589	1.87
600,000	United States Treasury Note/Bond 4.000% 15/12/2025	468,318	1.85
650,000	United States Treasury Note/Bond 5.000% 31/10/2025	515,839	2.03
	<b>Total United States</b>	<b>1,459,746</b>	<b>5.75</b>
	<b>Total Government Bonds</b>	<b>1,459,746</b>	<b>5.75</b>
	<b>Equities: 7.70% (2022: 52.93%)</b>		
	<b>Australia: Nil (2022: 1.14%)</b>		
		–	–
	<b>Bermuda: Nil (2022: 2.99%)</b>		
		–	–
	<b>Finland: Nil (2022: 4.35%)</b>		
		–	–
	<b>Germany: Nil (2022: 2.76%)</b>		
		–	–
	<b>Guernsey: Nil (2022: 5.54%)</b>		
		–	–
79,920	Chenavari Capital Solutions	–	–
	<b>Total Guernsey</b>	<b>–</b>	<b>–</b>
	<b>Ireland: Nil (2022: 2.34%)</b>		
		–	–
	<b>Norway: Nil (2022: 1.43%)</b>		
		–	–
	<b>Republic of South Korea: Nil (2022: 1.00%)</b>		
		–	–





## Financial Liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.17%) (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
GBP 2,946,439	USD 3,733,407	0.7892	31/01/2024	(18,244)	(0.07)
USD 4,671,448	GBP 3,650,148	0.7814	30/01/2024	(13,796)	(0.06)
GBP 1,475,219	USD 1,869,237	0.7892	31/01/2024	(9,134)	(0.04)
GBP 620,087	EUR 713,794	0.8687	30/01/2024	(1,034)	–
GBP 923,158	EUR 1,064,323	0.8674	31/01/2024	(67)	–
GBP 49,256	EUR 56,757	0.8678	31/01/2024	(30)	–
GBP 190,962	EUR 220,164	0.8674	31/01/2024	(14)	–
GBP 29,151	EUR 33,632	0.8668	03/01/2024	(8)	–
GBP 94,490	EUR 108,939	0.8674	31/01/2024	(7)	–
GBP 1,439	EUR 1,659	0.8674	31/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				<b>(42,334)</b>	<b>(0.17)</b>
<b>Total Financial Liabilities at fair value through profit or loss</b>				<b>(42,334)</b>	<b>(0.17)</b>

	Fair Value GBP£	% of Net Assets
<b>Total Value of Investments (Cost: GBP£ 22,884,444)</b>	<b>23,771,045</b>	<b>93.59</b>
Cash at Bank	624,350	2.46
Other Net Assets	1,002,617	3.95
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>25,398,012</b>	<b>100.00</b>

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	87.75	93.09
Exchange traded financial derivative instruments	–	0.21
OTC Financial derivative instruments	0.08	0.18
Other assets	12.17	6.52
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Portfolio Statements continued

As at 31 December 2023

## Financial Credit Fund (formerly Income Opportunities Fund) continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 97.28% (2022: 94.83%)</b>			
<b>Australia: 2.02% (2022: 1.23%)</b>			
2,228	Macquarie Group	279,168	2.02
<b>Total Australia</b>		<b>279,168</b>	<b>2.02</b>
<b>Bermuda: 4.73% (2022: 1.81%)</b>			
2,942	Arch Capital	218,502	1.59
14,650	Hiscox	196,843	1.43
1,205	RenaissanceRe	236,180	1.71
<b>Total Bermuda</b>		<b>651,525</b>	<b>4.73</b>
<b>Canada: Nil (2022: 3.10%)</b>			
<b>Cayman Islands: 1.41% (2022: 0.41%)</b>			
530	Chailease	3,333	0.03
22,863	NU /Cayman Islands	190,449	1.38
<b>Total Cayman Islands</b>		<b>193,782</b>	<b>1.41</b>
<b>Finland: 1.27% (2022: 1.38%)</b>			
14,194	Nordea Bank Abp	175,660	1.27
<b>Total Finland</b>		<b>175,660</b>	<b>1.27</b>
<b>France: 3.36% (2022: Nil)</b>			
16,923	Antin Infrastructure Partners	257,603	1.87
2,980	BNP Paribas	206,037	1.49
<b>Total France</b>		<b>463,640</b>	<b>3.36</b>
<b>Hong Kong: 2.38% (2022: 6.26%)</b>			
37,609	AIA	327,755	2.38
<b>Total Hong Kong</b>		<b>327,755</b>	<b>2.38</b>
<b>India: 7.95% (2022: 7.67%)</b>			
18,920	Axis Bank	250,626	1.82
17,192	HDFC Bank ADR	353,132	2.56
15,755	ICICI Bank	188,688	1.37
15,822	IndusInd Bank	304,019	2.20
<b>Total India</b>		<b>1,096,465</b>	<b>7.95</b>
<b>Indonesia: 3.01% (2022: 4.01%)</b>			
171,600	Bank Central Asia	104,764	0.76
833,800	Bank Rakyat Indonesia Persero	310,028	2.25
<b>Total Indonesia</b>		<b>414,792</b>	<b>3.01</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.28% (2022: 94.83%)</b> continued		
	<b>Ireland: 1.74% (2022: 2.40%)</b>		
55,966	AIB Group plc	239,873	1.74
	<b>Total Ireland</b>	<b>239,873</b>	<b>1.74</b>
	<b>Italy: Nil (2022: 1.65%)</b>		
	<b>Japan: 1.42% (2022: 2.98%)</b>		
4,000	Sumitomo Mitsui Financial	195,205	1.42
	<b>Total Japan</b>	<b>195,205</b>	<b>1.42</b>
	<b>Malaysia: Nil (2022: 1.14%)</b>		
	<b>Mexico: 1.04% (2022: Nil)</b>		
102,800	Genera	143,141	1.04
	<b>Total Mexico</b>	<b>143,141</b>	<b>1.04</b>
	<b>Netherlands: 2.49% (2022: 1.41%)</b>		
22,947	ING Groep	342,862	2.49
	<b>Total Netherlands</b>	<b>342,862</b>	<b>2.49</b>
	<b>Norway: Nil (2022: 2.15%)</b>		
	<b>Singapore: Nil (2022: 2.35%)</b>		
	<b>Spain: Nil (2022: 1.38%)</b>		
	<b>Sweden: 1.73% (2022: Nil)</b>		
5,349	EQT AB	151,269	1.09
483,774	VEF AB	88,231	0.64
	<b>Total Sweden</b>	<b>239,500</b>	<b>1.73</b>
	<b>Switzerland: Nil (2022: 4.16%)</b>		
	<b>Thailand: 1.20% (2022: 0.50%)</b>		
56,800	Tisco Financial	165,994	1.20
	<b>Total Thailand</b>	<b>165,994</b>	<b>1.20</b>



## Portfolio Statements continued

As at 31 December 2023

## Financial Credit Fund (formerly Income Opportunities Fund) continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 97.28% (2022: 94.83%)</b> continued			
<b>United Kingdom: 11.94% (2022: 10.08%)</b>			
194,444	Atom Bank	99,151	0.72
28,348	Beazley	188,640	1.37
45,896	Cab Payments	48,445	0.35
36,598	HSBC	296,493	2.15
9,506	Intermediate Capital Group	203,647	1.48
2,667	London Stock Exchange Group	315,306	2.29
43,328	Natwest	121,185	0.88
39,779	OSB	235,600	1.71
12,316	WISE	137,222	0.99
<b>Total United Kingdom</b>		<b>1,645,689</b>	<b>11.94</b>
<b>United States: 49.59% (2022: 37.93%)</b>			
1,691	American Express	316,792	2.30
1,878	Ares Management Corp	223,332	1.62
13,155	Bank of America	442,929	3.21
787	Berkshire Hathaway	280,691	2.04
342	BlackRock	277,636	2.01
3,424	Block Inc	264,846	1.92
2,998	Citizens Financial	99,354	0.72
3,349	East West Bancorp	240,960	1.75
7,693	Flywire	178,093	1.29
2,724	Intercontinental Exchange	349,843	2.54
4,787	JPMorgan Chase	814,269	5.91
1,772	Marsh & McLennan Cos	335,741	2.43
1,917	Mastercard	817,620	5.93
157	MercadoLibre	246,732	1.79
1,487	Morgan Stanley	138,663	1.01
358	MSCI	202,503	1.47
3,364	PayPal	206,583	1.50
855	S&P Global	376,645	2.73
5,133	US Bancorp	222,156	1.61
1,646	Visa	428,536	3.11
7,570	Wells Fargo	372,595	2.70
<b>Total United States</b>		<b>6,836,519</b>	<b>49.59</b>
<b>Vietnam: Nil (2022: 0.83%)</b>		<b>-</b>	<b>-</b>
<b>Total Equities</b>		<b>13,411,570</b>	<b>97.28</b>
<b>Total Transferable Securities</b>		<b>13,411,570</b>	<b>97.28</b>



## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 25,578	GBP 20,215	1.2653	02/01/2024	192	–
USD 33,346	EUR 30,248	1.1024	03/01/2024	68	–
USD 156	GBP 123	1.2719	02/01/2024	–	–
USD 5	GBP 4	1.2661	02/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				260	0.00
<b>Total Financial Assets at fair value through profit or loss</b>				13,411,830	97.28

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 167	USD 212	1.2726	02/01/2024	–	–
GBP 12	USD 16	1.2722	02/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				–	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				–	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 12,272,128)</b>	13,411,830	97.28
Cash at Bank	480,019	3.48
Other Net Liabilities	(105,506)	(0.76)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	13,786,343	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	96.51	93.88
Other assets	3.49	6.12
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.

## Global Absolute Return Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Corporate Bonds: 82.79% (2022: 98.52%)</b>		
	<b>Canada: 1.39% (2022: 1.24%)</b>		
1,000,000	Ivanhoe Mines 2.500% 15/04/2026	1,398,370	1.39
	<b>Total Canada</b>	<b>1,398,370</b>	<b>1.39</b>
	<b>Cayman Islands: Nil (2022: 5.10%)</b>		
	<b>Democratic Republic of the Congo: 2.23% (2022: 1.12%)</b>		
2,600,000	HTA /Mauritius 2.875% 18/03/2027	2,249,000	2.23
	<b>Total Democratic Republic of the Congo</b>	<b>2,249,000</b>	<b>2.23</b>
	<b>France: Nil (2022: 6.55%)</b>		
	<b>Germany: Nil (2022: 2.48%)</b>		
	<b>Jersey: Nil (2022: 2.45%)</b>		
	<b>Luxembourg: Nil (2022: 0.86%)</b>		
	<b>Netherlands: Nil (2022: 2.29%)</b>		
	<b>People's Republic of China: 3.23% (2022: Nil)</b>		
3,000,000	Weibo 1.375% 01/12/2030	3,256,500	3.23
	<b>Total People's Republic of China</b>	<b>3,256,500</b>	<b>3.23</b>
	<b>United Kingdom: 6.16% (2022: 6.24%)</b>		
5,000,000	JET2 1.625% 10/06/2026	6,218,835	6.16
	<b>Total United Kingdom</b>	<b>6,218,835</b>	<b>6.16</b>
	<b>United States: 66.70% (2022: 69.08%)</b>		
3,634,000	Air Transport Services 3.875% 15/08/2029	3,243,345	3.22
1,440,000	BigBear.ai 6.000% 15/12/2026	975,600	0.97
2,000,000	Bread Financial 4.250% 15/06/2028	2,142,600	2.12
3,000,000	Carnival 5.750% 01/12/2027	4,938,000	4.89
2,050,000	Ceridian HCM 0.250% 15/03/2026	1,850,125	1.83
1,500,000	Encore Capital 4.000% 15/03/2029	1,485,000	1.47
3,280,000	Impinj 1.125% 15/05/2027	3,587,664	3.56
2,500,000	indie Semiconductor 4.500% 15/11/2027	3,017,500	2.99
4,442,000	MP Materials 0.250% 01/04/2026	3,961,820	3.93
5,250,000	Nutanix 0.250% 01/10/2027	5,486,250	5.44
5,000,000	PagerDuty 1.500% 15/10/2028	5,444,000	5.40
3,000,000	Patrick Industries 1.750% 01/12/2028	3,420,000	3.39
3,000,000	SMART Global 2.000% 01/02/2029	3,246,000	3.22
3,500,000	Spirit AeroSystems 3.250% 01/11/2028	4,544,750	4.50
1,000,000	Vertex Energy 6.250% 01/10/2027	970,258	0.96
3,000,000	Welltower OP 2.750% 15/05/2028	3,331,800	3.30



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Corporate Bonds: 82.79% (2022: 98.52%)</b> continued			
United States: 66.70% (2022: 69.08%) continued			
4,500,000	Winnebago Industries 1.500% 01/04/2025	5,654,250	5.60
2,700,000	Wolfspeed 1.750% 01/05/2026	3,084,750	3.06
1,400,000	World Kinect 3.250% 01/07/2028	1,419,600	1.41
4,000,000	Zillow 1.375% 01/09/2026	5,492,000	5.44
<b>Total United States</b>		67,295,312	66.70
Vietnam: 3.08% (2022: 1.11%)			
1,000,000	Vingroup 10.000% 13/11/2028	1,001,164	0.99
2,200,000	VinJSC 3.000% 20/04/2026	2,106,500	2.09
<b>Total Vietnam</b>		3,107,664	3.08
<b>Total Corporate Bonds</b>		83,525,681	82.79
<b>Equities: Nil (2022: 3.49%)</b>			
United States: Nil (2022: 3.49%)			
<b>Total Transferable Securities</b>		83,525,681	82.79
<b>Contracts for Difference (on Bonds) – Unrealised Gains: 1.50% (2022: 3.73%)</b>			
Finland: Nil (2022: 0.02%)			
Germany: 0.19% (2022: 0.02%)			
2,700,000	Bechtle	184,406	0.18
1,700,000	SGL Carbon	4,911	0.01
<b>Total Germany</b>		189,317	0.19
Italy: 0.45% (2022: Nil)			
3,000,000	Prysmian	142,901	0.14
5,000,000	Saipem	314,441	0.31
<b>Total Italy</b>		457,342	0.45
Japan: 0.25% (2022: 0.03%)			
300,000,000	SBI	224,152	0.22
300,000,000	Taiyo Yuden	24,929	0.03
<b>Total Japan</b>		249,081	0.25
Luxembourg: Nil (2022: 0.04%)			
3,700,000	Lagfin	1,134	–
<b>Total Luxembourg</b>		1,134	–
Netherlands: Nil (2022: 3.24%)			

## Global Absolute Return Fund continued

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain US\$	% of Net Assets
<b>Contracts for Difference (on Bonds) – Unrealised Gains: 1.50% (2022: 3.73%) continued</b>			
Spain: 0.59% (2022: Nil)			
5,800,000	Cellnex Telecom	591,525	0.59
	<b>Total Spain</b>	<b>591,525</b>	<b>0.59</b>
Sweden: Nil (2022: 0.32%)			
United Kingdom: 0.02% (2022: 0.06%)			
500,000	Ocado Group	24,904	0.02
	<b>Total United Kingdom</b>	<b>24,904</b>	<b>0.02</b>
United States: Nil (2022: Nil)			
4,350,000	Array Technologies	–	–
	<b>Total United States</b>	<b>–</b>	<b>–</b>
	<b>Total Contracts for Difference (on Bonds) – Unrealised Gains</b>	<b>1,513,303</b>	<b>1.50</b>
<b>Contracts for Difference (on Equities) – Unrealised Gains: 0.47% (2022: 3.45%)</b>			
Finland: Nil (2022: 0.03%)			
France: Nil (2022: 0.19%)			
Italy: 0.06% (2022: Nil)			
(112,000)	Davide Campari-Milano	58,160	0.06
	<b>Total Italy</b>	<b>58,160</b>	<b>0.06</b>
Japan: Nil (2022: 0.03%)			
Netherlands: Nil (2022: 0.12%)			
South Africa: Nil (2022: 0.07%)			
Switzerland: Nil (2022: 0.25%)			
United Kingdom: Nil (2022: 0.04%)			
United States: 0.41% (2022: 2.72%)			
(37,392)	Air Transport Services	16,791	0.02
(109,896)	Array Technologies	360,630	0.36
(27,195)	Vertex Energy	36,607	0.03
	<b>Total United States</b>	<b>414,028</b>	<b>0.41</b>
	<b>Total Contracts for Difference (on Equities) – Unrealised Gains</b>	<b>472,188</b>	<b>0.47</b>



## Financial assets at fair value through profit or loss

## Futures Contracts – Unrealised Gains: Nil (2022: 0.05%)

Description	Country	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
United States: Nil (2022: 0.05%)					
Future Euro CME Mar24	US	USD	4	6,200	–
<b>Total United States</b>				6,200	–
<b>Total Futures Contracts – Unrealised Gains</b>				6,200	–

## Open Forward Currency Contracts: 0.48% (2022: 0.01%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 64,666,888	GBP 51,035,709	1.2671	31/01/2024	402,907	0.40
USD 5,006,465	GBP 3,951,149	1.2671	31/01/2024	31,193	0.03
USD 2,522,706	GBP 1,990,943	1.2671	31/01/2024	15,718	0.02
USD 1,832,638	EUR 1,667,645	1.0989	31/01/2024	11,441	0.01
USD 894,461	GBP 705,921	1.2671	31/01/2024	5,578	0.01
USD 798,365	GBP 630,077	1.2671	31/01/2024	4,974	0.01
USD 624,131	GBP 493,085	1.2658	31/01/2024	4,545	–
USD 675,564	EUR 614,743	1.0989	31/01/2024	4,217	–
USD 81,710	GBP 64,240	1.2719	31/01/2024	195	–
USD 12,429	GBP 9,821	1.2656	02/01/2024	91	–
GBP 15,028	USD 19,194	1.2772	31/01/2024	34	–
USD 1,056	JPY 150,952	0.0070	31/01/2024	18	–
USD 1,034	JPY 147,683	0.0070	31/01/2024	18	–
USD 1,033	JPY 147,591	0.0070	31/01/2024	18	–
USD 1,006	JPY 143,739	0.0070	31/01/2024	18	–
USD 1,820	GBP 1,431	1.2719	31/01/2024	4	–
USD 653	GBP 515	1.2671	31/01/2024	4	–
USD 144	EUR 131	1.0991	31/01/2024	1	–
USD 54	JPY 7,752	0.0070	31/01/2024	1	–
USD 179	GBP 141	1.2742	31/01/2024	–	–
USD 58	GBP 46	1.2716	02/01/2024	–	–
USD 11	EUR 10	1.0992	31/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				480,975	0.48
<b>Total Financial Assets at fair value through profit or loss</b>				85,998,347	85.24



## Portfolio Statements continued

As at 31 December 2023

## Global Absolute Return Fund continued

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US\$	% of Net Assets
<b>Contracts for Difference (on Equities) – Unrealised Losses: (4.68%) (2022: (5.07%))</b>			
Cayman Islands: (0.03%) (2022: Nil)			
(12,130)	SMART Global	(29,018)	(0.03)
	<b>Total Cayman Islands</b>	<b>(29,018)</b>	<b>(0.03)</b>
France: Nil (2022: (0.09%))			
Germany: (0.10%) (2022: (3.53%))			
(6,200)	Bechtle	(6,268)	(0.01)
(109,923)	Nordex	(92,664)	(0.09)
	<b>Total Germany</b>	<b>(98,932)</b>	<b>(0.10)</b>
Italy: (0.10%) (2022: Nil)			
(20,200)	Prysmian	(92,705)	(0.09)
(700,000)	Saipem	(11,389)	(0.01)
	<b>Total Italy</b>	<b>(104,094)</b>	<b>(0.10)</b>
Japan: (0.04%) (2022: (0.01%))			
(35,000)	Taiyo Yuden	(36,940)	(0.04)
	<b>Total Japan</b>	<b>(36,940)</b>	<b>(0.04)</b>
Luxembourg: Nil (2022: (0.01%))			
Panama: (0.96%) (2022: Nil)			
(265,294)	Carnival	(971,112)	(0.96)
	<b>Total Panama</b>	<b>(971,112)</b>	<b>(0.96)</b>
People's Republic of China: (0.06%) (2022: Nil)			
(33,550)	Weibo	(56,565)	(0.06)
	<b>Total People's Republic of China</b>	<b>(56,565)</b>	<b>(0.06)</b>
Spain: (0.05%) (2022: Nil)			
(39,000)	Cellnex Telecom	(52,638)	(0.05)
	<b>Total Spain</b>	<b>(52,638)</b>	<b>(0.05)</b>
Sweden: Nil (2022: (0.19%))			
United Kingdom: (0.02%) (2022: (0.01%))			
(53,000)	Jet2	(3,111)	–
(60,800)	Ocado Group	(18,935)	(0.02)
	<b>Total United Kingdom</b>	<b>(22,046)</b>	<b>(0.02)</b>



Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US\$	% of Net Assets		
	<b>United States: (3.32%) (2022: (1.23%))</b>				
(85,819)	Bread Financial	(270,360)	(0.27)		
(24,826)	Encore Capital Europe Finance	(89,081)	(0.09)		
(10,121)	Impinj	(42,927)	(0.04)		
(52,500)	Nutanix	(152,604)	(0.15)		
(72,154)	PagerDuty	(94,290)	(0.09)		
(34,579)	Patrick Industries	(769,554)	(0.76)		
(64,856)	Spirit AeroSystems	(506,361)	(0.50)		
(20,942)	Welltower OP	(114,461)	(0.11)		
(77,456)	Winnebago Industries	(825,311)	(0.82)		
(87,642)	Zillow	(488,346)	(0.49)		
	<b>Total United States</b>	<b>(3,353,295)</b>	<b>(3.32)</b>		
	<b>Total Contracts for Difference (on Equities) – Unrealised Losses</b>	<b>(4,724,640)</b>	<b>(4.68)</b>		
	<b>Contracts for Difference (on Bonds) – Unrealised Losses: (0.21%) (2022: (2.11%))</b>				
	<b>France: Nil (2022: (0.63%))</b>	–	–		
	<b>Germany: (0.21%) (2022: Nil)</b>				
4,000,000	Nordex	(209,406)	(0.21)		
	<b>Total Germany</b>	<b>(209,406)</b>	<b>(0.21)</b>		
	<b>Japan: Nil (2022: (0.17%))</b>	–	–		
	<b>Netherlands: Nil (2022: (0.41%))</b>	–	–		
	<b>Switzerland: Nil (2022: (0.70%))</b>	–	–		
	<b>United Kingdom: Nil (2022: (0.20%))</b>	–	–		
	<b>Total Contracts for Difference (on Bonds) – Unrealised Losses</b>	<b>(209,406)</b>	<b>(0.21)</b>		
	<b>Credit Default Swaps: Nil (2022: (0.08%))</b>				
	<b>Futures Contracts – Unrealised Losses: (0.04%) (2022: (0.01%))</b>				
Description	Country	Currency	No. of Contracts	Unrealised Loss US\$	% of Net Assets
	<b>United States: (0.04%) (2022: (0.01%))</b>				
Future British Pound Mar24	US	USD	(67)	(34,338)	(0.04)
	<b>Total United States</b>			<b>(34,338)</b>	<b>(0.04)</b>
	<b>Total Futures Contracts – Unrealised Losses</b>			<b>(34,338)</b>	<b>(0.04)</b>



## Global Absolute Return Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: (0.32%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 200,715	USD 254,323	1.2671	31/01/2024	(1,586)	–
USD 304,969	GBP 238,776	1.2772	31/01/2024	(534)	–
EUR 45,461	USD 49,970	1.0992	31/01/2024	(301)	–
GBP 64,240	USD 81,692	1.2717	02/01/2024	(201)	–
GBP 9,821	USD 12,431	1.2658	31/01/2024	(90)	–
EUR 3,591	USD 3,947	1.0992	31/01/2024	(24)	–
GBP 1,308	USD 1,658	1.2671	31/01/2024	(10)	–
USD 1,322	GBP 1,035	1.2772	31/01/2024	(2)	–
USD 889	GBP 696	1.2772	31/01/2024	(2)	–
GBP 13	USD 16	1.2740	31/01/2024	–	–
GBP 46	USD 58	1.2719	31/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(2,750)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(4,971,134)	(4.93)

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 71,410,345)</b>	81,027,213	80.31
Cash at Bank	10,332,150	10.24
Margin Cash	2,874,545	2.85
Other Net Assets	6,655,537	6.60
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	100,889,445	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

The counterparty for the swaps is Goldman Sachs.

The counterparty for the contracts for difference is UBS AG.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	77.41	90.03
Exchange traded financial derivative instruments	1.85	3.09
OTC Financial derivative instruments	0.45	0.01
Other assets	20.29	6.87
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Global Convertible Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Corporate Bonds: 95.15% (2022: 99.61%)</b>			
<b>Canada: 2.74% (2022: 3.94%)</b>			
8,300,000	Ivanhoe Mines 2.500% 15/04/2026	11,606,467	2.27
2,549,000	SSR Mining 2.500% 01/04/2039	2,412,628	0.47
<b>Total Canada</b>		<b>14,019,095</b>	<b>2.74</b>
<b>Cayman Islands: Nil (2022: 2.76%)</b>			
<b>Democratic Republic of the Congo: 2.74% (2022: 1.48%)</b>			
16,200,000	HTA /Mauritius 2.875% 18/03/2027	14,013,000	2.74
<b>Total Democratic Republic of the Congo</b>		<b>14,013,000</b>	<b>2.74</b>
<b>Denmark: 2.41% (2022: 3.68%)</b>			
12,000,000	Ascendis Pharma 2.250% 01/04/2028	12,330,000	2.41
<b>Total Denmark</b>		<b>12,330,000</b>	<b>2.41</b>
<b>France: 0.33% (2022: 1.48%)</b>			
8,000	S.O.I.T.E.C. 0.000% 01/10/2025	1,668,335	0.33
<b>Total France</b>		<b>1,668,335</b>	<b>0.33</b>
<b>Germany: 4.97% (2022: 1.28%)</b>			
6,300,000	Bechtle 2.000% 08/12/2030	7,377,096	1.44
2,500,000	Deutsche Lufthansa 2.000% 17/11/2025	2,981,174	0.58
7,500,000	Nordex 4.250% 14/04/2030	8,234,236	1.61
6,000,000	SGL Carbon 5.750% 21/09/2027	6,877,125	1.34
<b>Total Germany</b>		<b>25,469,631</b>	<b>4.97</b>
<b>Hong Kong: Nil (2022: 0.67%)</b>			
<b>India: Nil (2022: 0.53%)</b>			
<b>Italy: 7.08% (2022: Nil)</b>			
14,000,000	Prysmian S.p.A. 0.000% 02/02/2026	17,178,271	3.35
16,000,000	Saipem S.p.A. 2.875% 11/09/2029	19,116,062	3.73
<b>Total Italy</b>		<b>36,294,333</b>	<b>7.08</b>
<b>Japan: 1.95% (2022: 3.19%)</b>			
1,200,000,000	SBI 0.000% 25/07/2025	9,988,651	1.95
<b>Total Japan</b>		<b>9,988,651</b>	<b>1.95</b>
<b>Luxembourg: Nil (2022: 0.56%)</b>			
<b>People's Republic of China: 2.83% (2022: 4.86%)</b>			
3,500,000	Lenovo 2.500% 26/08/2029	4,754,694	0.93
9,000,000	Weibo 1.375% 01/12/2030	9,769,500	1.90
<b>Total People's Republic of China</b>		<b>14,524,194</b>	<b>2.83</b>



## Portfolio Statements continued

As at 31 December 2023

## Global Convertible Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Corporate Bonds: 95.15% (2022: 99.61%)</b> continued		
	<b>Republic of South Korea: 3.13% (2022: Nil)</b>		
7,000,000	L&F 2.500% 26/04/2030	4,811,800	0.94
8,000,000	SK Hynix 1.750% 11/04/2030	11,236,000	2.19
	<b>Total Republic of South Korea</b>	<b>16,047,800</b>	<b>3.13</b>
	<b>Spain: Nil (2022: 2.70%)</b>	–	–
	<b>Switzerland: Nil (2022: 8.10%)</b>	–	–
	<b>Taiwan: Nil (2022: 0.69%)</b>	–	–
	<b>United Kingdom: 6.80% (2022: 5.05%)</b>		
28,000,000	JET2 1.625% 10/06/2026	34,825,474	6.80
	<b>Total United Kingdom</b>	<b>34,825,474</b>	<b>6.80</b>
	<b>United States: 57.33% (2022: 57.45%)</b>		
12,100,000	Air Transport Services 3.875% 15/08/2029	10,799,250	2.11
10,000,000	Akamai Technologies 0.125% 01/05/2025	12,750,000	2.49
4,000,000	Alnylam Pharmaceuticals 1.000% 15/09/2027	3,950,000	0.77
12,200,000	Amphastar Pharmaceuticals 2.000% 15/03/2029	14,853,500	2.90
10,000,000	Array Technologies 1.000% 01/12/2028	9,872,500	1.93
7,560,000	BigBear.ai 6.000% 15/12/2026	5,121,900	1.00
13,950,000	Blackline 0.000% 15/03/2026	12,450,375	2.43
9,238,000	Ceridian HCM 0.250% 15/03/2026	8,337,295	1.63
1,700,000	Cytokinetics 3.500% 01/07/2027	2,992,000	0.58
8,750,000	Datadog 0.125% 15/06/2025	12,258,750	2.39
7,000,000	Dexcom 0.375% 15/05/2028	7,203,000	1.41
4,000,000	Dropbox 0.000% 01/03/2028	4,045,000	0.79
4,250,000	Evolut Health 3.500% 01/12/2029	4,976,750	0.97
10,000,000	Exact Sciences 0.375% 15/03/2027	9,725,000	1.90
2,000,000	Fluor 1.125% 15/08/2029	2,182,500	0.43
5,000,000	indie Semiconductor 4.500% 15/11/2027	6,035,000	1.18
3,000,000	Insulet 0.375% 01/09/2026	3,462,000	0.67
4,000,000	Jazz Investments 2.000% 15/06/2026	4,054,000	0.79
2,500,000	Lantheus 2.625% 15/12/2027	2,814,000	0.55
1,800,000	Liberty Media 2.250% 15/08/2027	1,834,968	0.36
7,500,000	Live Nation Entertainment 3.125% 15/01/2029	8,535,750	1.67
7,500,000	Mirum Pharmaceuticals 4.000% 01/05/2029	9,150,000	1.79
35,308,000	MP Materials 0.250% 01/04/2026	31,491,205	6.15
19,260,000	Nutanix 0.250% 01/10/2027	20,126,700	3.93
5,000,000	ON Semiconductor 0.500% 01/03/2029	5,337,500	1.04



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Corporate Bonds: 95.15% (2022: 99.61%)</b> continued			
<b>United States: 57.33% (2022: 57.45%)</b> continued			
6,000,000	Rivian Automotive 3.625% 15/10/2030	7,398,600	1.44
3,500,000	Sarepta Therapeutics 1.250% 15/09/2027	3,559,150	0.69
11,000,000	Schneider Electric 1.970% 27/11/2030	13,133,976	2.56
5,200,000	Seagate HDD Cayman 3.500% 01/06/2028	6,299,800	1.23
3,500,000	Spirit Aerosystems 3.250% 01/11/2028	4,544,750	0.89
2,000,000	Uber 0.875% 01/12/2028	2,185,000	0.43
3,650,000	Vertex Energy 6.250% 01/10/2027	3,541,444	0.69
2,500,000	Wayfair 3.500% 15/11/2028	3,883,750	0.76
8,500,000	Wolfspeed 1.750% 01/05/2026	9,711,250	1.90
8,100,000	World Kinect 3.250% 01/07/2028	8,213,400	1.60
3,800,000	Zcaler 0.125% 01/07/2025	5,777,900	1.13
10,000,000	Zillow 2.750% 15/05/2025	11,038,000	2.15
<b>Total United States</b>		<b>293,645,963</b>	<b>57.33</b>
<b>Vietnam: 2.84% (2022: 1.19%)</b>			
9,000,000	Vingroup 10.000% 13/11/2028	9,010,479	1.76
5,800,000	VinJSC 3.000% 20/04/2026	5,553,500	1.08
<b>Total Vietnam</b>		<b>14,563,979</b>	<b>2.84</b>
<b>Total Corporate Bonds</b>		<b>487,390,455</b>	<b>95.15</b>
<b>Total Transferable Securities</b>		<b>487,390,455</b>	<b>95.15</b>
		<b>Unrealised Gain US\$</b>	<b>% of Net Assets</b>
<b>Contracts for Difference (on Bonds) – Unrealised Gains: 1.55% (2022: 1.40%)</b>			
<b>Cayman Islands: 0.13% (2022: 0.04%)</b>			
8,000,000	Microport Scientific	660,000	0.13
<b>Total Cayman Islands</b>		<b>660,000</b>	<b>0.13</b>
<b>France: 0.04% (2022: Nil)</b>			
12,400	Safran	224,473	0.04
<b>Total France</b>		<b>224,473</b>	<b>0.04</b>
<b>Luxembourg: Nil (2022: 0.07%)</b>			
<b>Netherlands: 0.26% (2022: 1.00%)</b>			
12,000,000	Basic-Fit	1,336,693	0.26
<b>Total Netherlands</b>		<b>1,336,693</b>	<b>0.26</b>



## Portfolio Statements continued

As at 31 December 2023

## Global Convertible Fund continued

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain US\$	% of Net Assets		
<b>Contracts for Difference (on Bonds) – Unrealised Gains: 1.55% (2022: 1.40%) continued</b>					
Spain: 0.48% (2022: Nil)					
30,200,000	Cellnex Telecom	2,488,165	0.48		
<b>Total Spain</b>		<b>2,488,165</b>	<b>0.48</b>		
Switzerland: 0.09% (2022: 0.08%)					
5,000,000	STMicroelectronics	440,000	0.09		
<b>Total Switzerland</b>		<b>440,000</b>	<b>0.09</b>		
United Kingdom: 0.55% (2022: 0.21%)					
14,000,000	International Consolidated Airlines	2,803,658	0.55		
<b>Total United Kingdom</b>		<b>2,803,658</b>	<b>0.55</b>		
<b>Total Contracts for Difference (on Bonds) – Unrealised Gains</b>		<b>7,952,989</b>	<b>1.55</b>		
<b>Contracts for Difference (on Equities) – Unrealised Gains: 0.13% (2022: 0.05%)</b>					
Spain: Nil (2022: Nil)					
(111,000)	Cellnex Telecom	12,446	–		
<b>Total Spain</b>		<b>12,446</b>	<b>–</b>		
United States: 0.13% (2022: 0.05%)					
(460,000)	Vertex Energy	656,124	0.13		
<b>Total United States</b>		<b>656,124</b>	<b>0.13</b>		
<b>Total Contracts for Difference (on Equities) – Unrealised Gains</b>		<b>668,570</b>	<b>0.13</b>		
<b>Futures Contracts – Unrealised Gains: 0.08% (2022: 0.34%)</b>					
Description	Country	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
United States: 0.08% (2022: 0.34%)					
Future Euro CME Mar24	US	USD	219	338,081	0.07
Future Japan Yen Mar24	US	USD	341	44,160	0.01
<b>Total United States</b>				<b>382,241</b>	<b>0.08</b>
<b>Total Futures Contracts – Unrealised Gains</b>				<b>382,241</b>	<b>0.08</b>



## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.34% (2022: 0.15%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 26,719,032	EUR 24,683,735	1.0824	16/01/2024	559,195	0.11
USD 26,268,672	GBP 20,964,221	1.2530	19/01/2024	458,541	0.09
USD 38,865,730	GBP 30,672,518	1.2671	31/01/2024	241,288	0.05
USD 28,279,321	GBP 22,313,073	1.2673	22/01/2024	168,036	0.03
USD 18,226,366	GBP 14,384,100	1.2671	31/01/2024	113,154	0.02
USD 7,967,774	GBP 6,288,103	1.2671	31/01/2024	49,466	0.01
JPY 352,095,489	EUR 2,279,983	0.0069	16/01/2024	18,220	0.01
USD 2,711,509	GBP 2,139,688	1.2672	22/01/2024	16,420	0.01
USD 659,596	EUR 611,564	1.0785	16/01/2024	16,250	0.01
USD 2,587,211	GBP 2,041,637	1.2672	19/01/2024	15,665	–
USD 572,943	CHF 491,295	1.1661	31/01/2024	12,351	–
USD 1,963,766	GBP 1,549,198	1.2676	02/01/2024	11,151	–
GBP 1,809,207	JPY 325,569,264	0.0070	22/01/2024	8,545	–
GBP 1,770,889	JPY 318,819,616	0.0070	19/01/2024	8,374	–
JPY 306,074,599	EUR 1,973,339	0.0069	16/01/2024	6,294	–
USD 845,506	GBP 667,145	1.2673	19/01/2024	5,035	–
GBP 276,582	EUR 322,077	1.0799	16/01/2024	3,323	–
USD 544,926	EUR 495,758	1.0991	31/01/2024	3,283	–
USD 510,430	GBP 402,827	1.2671	31/01/2024	3,169	–
USD 574,567	EUR 522,091	1.1005	16/01/2024	2,401	–
USD 398,459	GBP 314,296	1.2677	31/01/2024	2,264	–
USD 286,443	GBP 225,972	1.2676	02/01/2024	1,627	–
USD 174,517	GBP 138,107	1.2636	09/01/2024	1,545	–
USD 115,689	EUR 106,039	1.0910	16/01/2024	1,495	–
GBP 566,443	USD 723,413	1.2771	22/01/2024	1,245	–
USD 115,406	GBP 91,043	1.2676	02/01/2024	655	–
JPY 718,840,598	GBP 4,009,915	0.0070	22/01/2024	610	–
JPY 9,181,701	EUR 59,476	0.0070	16/01/2024	498	–
EUR 561,908	GBP 487,242	1.0973	02/01/2024	424	–
USD 63,706	EUR 57,951	1.0993	16/01/2024	336	–
USD 55,896	GBP 44,096	1.2676	02/01/2024	317	–
EUR 47,775	JPY 7,469,810	0.0070	16/01/2024	272	–
GBP 11,453	JPY 2,088,386	0.0069	19/01/2024	242	–
USD 29,709	GBP 23,475	1.2655	02/01/2024	217	–



## Global Convertible Fund continued

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.34% (2022: 0.15%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 28,922	GBP 22,816	1.2676	02/01/2024	164	–
USD 90,819	GBP 71,346	1.2729	31/01/2024	146	–
GBP 62,788	USD 80,186	1.2770	19/01/2024	138	–
GBP 22,072	EUR 25,565	1.0999	19/01/2024	116	–
USD 67,679	GBP 53,176	1.2727	03/01/2024	110	–
USD 16,829	GBP 13,281	1.2671	09/01/2024	102	–
GBP 16,870	EUR 19,552	1.0810	19/01/2024	102	–
GBP 9,369	JPY 1,694,126	0.0069	19/01/2024	97	–
GBP 9,583	EUR 11,137	1.0928	19/01/2024	91	–
EUR 81,962	GBP 71,071	1.0973	02/01/2024	62	–
GBP 5,391	EUR 6,267	1.0797	16/01/2024	53	–
GBP 3,884	JPY 704,833	0.0069	09/01/2024	51	–
GBP 50,092	JPY 8,987,957	0.0071	22/01/2024	51	–
GBP 10,639	JPY 1,918,354	0.0070	09/01/2024	50	–
GBP 3,429	JPY 621,320	0.0069	19/01/2024	45	–
USD 24,972	GBP 19,621	1.2727	03/01/2024	41	–
USD 21,028	GBP 16,522	1.2727	03/01/2024	34	–
USD 17,663	GBP 13,879	1.2726	02/01/2024	30	–
GBP 4,210	JPY 759,395	0.0070	19/01/2024	30	–
USD 4,973	GBP 3,923	1.2676	02/01/2024	28	–
EUR 33,022	GBP 28,634	1.0973	02/01/2024	25	–
EUR 8,500	GBP 7,384	1.0993	02/01/2024	24	–
GBP 1,771	EUR 2,059	1.0923	09/01/2024	17	–
GBP 1,720	EUR 1,999	1.0927	16/01/2024	17	–
GBP 4,078	EUR 4,718	1.0928	19/01/2024	16	–
GBP 2,227	EUR 2,582	1.1008	19/01/2024	14	–
EUR 15,994	GBP 13,869	1.0973	02/01/2024	12	–
USD 546	CHF 468	1.1661	31/01/2024	12	–
GBP 6,641	USD 8,477	1.2763	19/01/2024	10	–
GBP 1,131	JPY 204,649	0.0070	04/01/2024	10	–
GBP 774	JPY 140,182	0.0069	22/01/2024	10	–
GBP 2,144	JPY 386,005	0.0070	19/01/2024	10	–
EUR 8,276	GBP 7,176	1.0973	02/01/2024	6	–
GBP 5,553	JPY 996,820	0.0071	19/01/2024	6	–
GBP 1,240	JPY 223,065	0.0070	19/01/2024	5	–
EUR 714	GBP 621	1.1106	16/01/2024	3	–



## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.34% (2022: 0.15%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
GBP 2,064	JPY 370,685	0.0070	19/01/2024	3	–
USD 946	GBP 743	1.2726	02/01/2024	2	–
GBP 3,966	EUR 4,579	1.1014	02/01/2024	2	–
GBP 15,140	EUR 17,466	1.1022	19/01/2024	2	–
GBP 210	JPY 37,998	0.0070	04/01/2024	2	–
USD 199	GBP 157	1.2676	09/01/2024	1	–
USD 387	GBP 305	1.2703	22/01/2024	1	–
USD 115	GBP 91	1.2678	31/01/2024	1	–
GBP 179	EUR 208	1.1008	19/01/2024	1	–
USD 363	GBP 285	1.2729	31/01/2024	1	–
USD 224	GBP 177	1.2677	22/01/2024	1	–
USD 191	GBP 151	1.2677	19/01/2024	1	–
GBP 537	USD 685	1.2761	19/01/2024	1	–
GBP 82	JPY 14,852	0.0069	19/01/2024	1	–
USD 180	GBP 142	1.2673	22/01/2024	1	–
EUR 1,423	GBP 1,234	1.0973	02/01/2024	1	–
USD 373	GBP 293	1.2726	02/01/2024	1	–
USD 213	GBP 167	1.2726	02/01/2024	–	–
EUR 21	GBP 18	1.1015	02/01/2024	–	–
GBP 55	JPY 9,916	0.0070	22/01/2024	–	–
GBP 68	JPY 12,226	0.0070	19/01/2024	–	–
GBP 14	EUR 16	1.0928	19/01/2024	–	–
GBP 123	EUR 142	1.0926	16/01/2024	–	–
GBP 158	EUR 182	1.0985	19/01/2024	–	–
USD 330	GBP 259	1.2739	31/01/2024	–	–
GBP 100	JPY 17,996	0.0070	19/01/2024	–	–
EUR 55	GBP 48	1.0981	19/01/2024	–	–
USD 65	GBP 51	1.2658	31/01/2024	–	–
JPY 9,848	GBP 55	0.0070	22/01/2024	–	–
GBP 13	JPY 2,333	0.0071	19/01/2024	–	–
GBP 12	JPY 2,161	0.0070	09/01/2024	–	–
GBP 130	EUR 150	1.0928	19/01/2024	–	–
GBP 197	EUR 227	1.1024	22/01/2024	–	–
JPY 4,661	GBP 26	0.0070	22/01/2024	–	–
EUR 58	GBP 50	1.0976	09/01/2024	–	–
GBP 23	EUR 27	1.0924	09/01/2024	–	–



## Portfolio Statements continued

As at 31 December 2023

## Global Convertible Fund continued

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.34% (2022: 0.15%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
GBP 7	JPY 1,255	0.0070	19/01/2024	–	–
EUR 66	GBP 57	1.0981	22/01/2024	–	–
USD 74	GBP 58	1.2725	02/01/2024	–	–
GBP 734	EUR 847	1.1014	02/01/2024	–	–
GBP 259	EUR 299	1.0984	16/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				1,733,669	0.34
<b>Total Financial Assets at fair value through profit or loss</b>				498,127,924	97.25

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US\$	% of Net Assets		
<b>Contracts for Difference (on Equities) – Unrealised Losses: Nil (2022: (1.02%))</b>					
	Denmark: Nil (2022: (0.02%))	–	–		
	Germany: Nil (2022: (0.86%))	–	–		
	Switzerland: Nil (2022: (0.12%))	–	–		
	United States: Nil (2022: (0.02%))	–	–		
<b>Contracts for Difference (on Bonds) – Unrealised Losses: Nil (2022: (0.69%))</b>					
	France: Nil (2022: (0.29%))	–	–		
	Netherlands: Nil (2022: (0.02%))	–	–		
	Spain: Nil (2022: (0.38%))	–	–		
<b>Credit Default Swaps: Nil (2022: (0.05%))</b>					
<b>Futures Contracts – Unrealised Losses: (0.04%) (2022: Nil)</b>					
Description	Country	Currency	No. of Contracts	Unrealised Loss US\$	% of Net Assets
Future British Pound Mar24	US	USD	(414)	(212,175)	(0.04)
<b>Total United States</b>				(212,175)	(0.04)
<b>Total Futures Contracts – Unrealised Losses</b>				(212,175)	(0.04)



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.10%) (2022: (0.51%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
EUR 7,655,928	USD 8,257,102	1.0785	16/01/2024	(203,536)	(0.04)
EUR 8,759,927	GBP 7,537,400	1.0930	22/01/2024	(73,518)	(0.02)
EUR 15,414,630	USD 16,969,365	1.1008	16/01/2024	(65,487)	(0.01)
EUR 1,938,849	USD 2,088,090	1.0769	16/01/2024	(54,550)	(0.01)
EUR 8,023,293	GBP 6,920,828	1.0807	19/01/2024	(44,382)	(0.01)
JPY 698,438,979	GBP 3,863,336	0.0069	19/01/2024	(38,940)	(0.01)
EUR 2,876,840	JPY 446,549,434	0.0070	16/01/2024	(6,778)	–
EUR 375,364	GBP 322,949	1.0928	19/01/2024	(3,144)	–
EUR 689,438	JPY 106,835,106	0.0069	16/01/2024	(2,910)	–
EUR 611,724	JPY 94,792,072	0.0069	16/01/2024	(2,585)	–
GBP 317,004	USD 401,892	1.2677	31/01/2024	(2,284)	–
EUR 95,681	USD 104,389	1.0910	16/01/2024	(1,349)	–
EUR 224,882	GBP 193,956	1.1008	16/01/2024	(1,249)	–
GBP 51,176	USD 64,122	1.2529	19/01/2024	(1,122)	–
EUR 98,772	GBP 84,894	1.0784	16/01/2024	(925)	–
GBP 179,200	EUR 205,917	1.1112	22/01/2024	(848)	–
JPY 2,329,904	GBP 12,522	0.0068	09/01/2024	(571)	–
USD 969,821	GBP 760,271	1.2756	31/01/2024	(486)	–
GBP 61,860	USD 78,425	1.2677	31/01/2024	(446)	–
JPY 22,213,955	GBP 123,399	0.0070	04/01/2024	(259)	–
GBP 23,282	USD 29,467	1.2656	19/01/2024	(215)	–
USD 423,972	GBP 332,364	1.2756	31/01/2024	(213)	–
GBP 9,948	USD 12,481	1.2546	09/01/2024	(201)	–
EUR 49,373	GBP 42,643	1.0937	09/01/2024	(184)	–
GBP 22,040	USD 27,923	1.2669	09/01/2024	(175)	–
GBP 19,458	USD 24,653	1.2669	19/01/2024	(154)	–
GBP 48,146	USD 61,232	1.2717	19/01/2024	(149)	–
EUR 17,164	JPY 2,649,711	0.0070	16/01/2024	(144)	–
GBP 28,363	USD 36,029	1.2702	19/01/2024	(131)	–
GBP 13,474	USD 17,055	1.2658	31/01/2024	(124)	–
GBP 12,016	USD 15,195	1.2645	19/01/2024	(124)	–
USD 40,513	CHF 33,906	1.1948	31/01/2024	(120)	–
JPY 1,999,837	GBP 11,051	0.0069	09/01/2024	(104)	–
GBP 19,864	EUR 22,828	1.1111	19/01/2024	(94)	–
GBP 36,905	USD 46,978	1.2729	31/01/2024	(75)	–
GBP 64,557	USD 82,255	1.2741	19/01/2024	(48)	–
JPY 841,394	GBP 4,650	0.0070	04/01/2024	(40)	–



## Portfolio Statements continued

As at 31 December 2023

## Global Convertible Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.10%) (2022: (0.51%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
JPY 3,240,311	GBP 18,000	0.0070	04/01/2024	(38)	–
GBP 4,388	USD 5,560	1.2669	22/01/2024	(35)	–
GBP 27,640	USD 35,213	1.2739	31/01/2024	(28)	–
GBP 12,824	USD 16,321	1.2726	02/01/2024	(27)	–
GBP 3,566	USD 4,521	1.2676	09/01/2024	(26)	–
GBP 7,383	EUR 8,493	1.1000	19/01/2024	(25)	–
GBP 5,241	USD 6,657	1.2701	09/01/2024	(24)	–
GBP 15,964	USD 20,338	1.2739	31/01/2024	(16)	–
JPY 1,305,485	GBP 7,252	0.0070	04/01/2024	(15)	–
USD 28,964	GBP 22,706	1.2756	31/01/2024	(15)	–
JPY 310,502	GBP 1,716	0.0070	04/01/2024	(15)	–
JPY 261,466	GBP 1,445	0.0070	04/01/2024	(13)	–
JPY 219,486	GBP 1,213	0.0070	04/01/2024	(11)	–
EUR 1,288	GBP 1,108	1.0924	09/01/2024	(11)	–
GBP 5,089	JPY 911,574	0.0070	19/01/2024	(9)	–
EUR 19,305	GBP 16,722	1.1014	03/01/2024	(8)	–
EUR 1,312	GBP 1,131	1.1002	09/01/2024	(8)	–
JPY 632,401	GBP 3,513	0.0070	04/01/2024	(7)	–
EUR 779	GBP 670	1.0927	16/01/2024	(7)	–
GBP 2,372	USD 3,019	1.2726	02/01/2024	(5)	–
GBP 493	USD 624	1.2658	31/01/2024	(5)	–
JPY 336,632	GBP 1,870	0.0070	04/01/2024	(4)	–
JPY 327,271	GBP 1,818	0.0070	04/01/2024	(4)	–
USD 4,428	GBP 3,470	1.2760	09/01/2024	(4)	–
GBP 467	USD 591	1.2657	19/01/2024	(4)	–
GBP 385	USD 487	1.2642	19/01/2024	(4)	–
JPY 278,658	GBP 1,549	0.0070	09/01/2024	(3)	–
EUR 5,999	GBP 5,196	1.1014	03/01/2024	(3)	–
GBP 7,493	EUR 8,644	1.0980	09/01/2024	(3)	–
EUR 7,123	GBP 6,170	1.1014	03/01/2024	(3)	–
USD 4,449	GBP 3,488	1.2754	09/01/2024	(2)	–
GBP 626	USD 796	1.2718	22/01/2024	(2)	–
GBP 206	USD 261	1.2658	31/01/2024	(2)	–
EUR 5,038	GBP 4,364	1.1014	02/01/2024	(2)	–
GBP 6,615	EUR 7,628	1.0985	19/01/2024	(2)	–
GBP 941	JPY 168,814	0.0070	09/01/2024	(2)	–
JPY 56,345	GBP 313	0.0070	04/01/2024	(1)	–



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.10%) (2022: (0.51%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 414	USD 527	1.2729	31/01/2024	(1)	–
JPY 11,580	GBP 64	0.0070	04/01/2024	(1)	–
GBP 1,492	EUR 1,720	1.0986	22/01/2024	(1)	–
GBP 70	USD 88	1.2641	09/01/2024	(1)	–
EUR 120	GBP 103	1.0931	22/01/2024	(1)	–
GBP 319	EUR 368	1.0999	16/01/2024	–	–
GBP 41	USD 52	1.2673	19/01/2024	–	–
JPY 2,872	GBP 16	0.0070	22/01/2024	–	–
JPY 4,524	GBP 25	0.0070	04/01/2024	–	–
JPY 2,518	GBP 14	0.0070	09/01/2024	–	–
GBP 98	USD 125	1.2739	31/01/2024	–	–
GBP 147	USD 187	1.2738	19/01/2024	–	–
USD 39	CHF 33	1.1948	31/01/2024	–	–
JPY 905	GBP 5	0.0070	04/01/2024	–	–
EUR 269	GBP 233	1.1014	02/01/2024	–	–
JPY 2,514	GBP 14	0.0070	19/01/2024	–	–
GBP 219	EUR 252	1.1051	16/01/2024	–	–
EUR 106	GBP 92	1.1014	02/01/2024	–	–
EUR 60	GBP 52	1.1014	02/01/2024	–	–
EUR 56	GBP 48	1.0930	22/01/2024	–	–
GBP 46	EUR 53	1.1111	19/01/2024	–	–
JPY 2,533	GBP 14	0.0070	04/01/2024	–	–
GBP 83	USD 106	1.2728	31/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(508,062)	(0.10)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(720,237)	(0.14)



## Portfolio Statements continued

As at 31 December 2023

## Global Convertible Fund continued

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 521,398,172)</b>	497,407,687	97.11
Bank Overdraft	(7,519,743)	(1.47)
Margin Cash	24,834,645	4.85
Other Net Liabilities	(2,493,800)	(0.49)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	512,228,789	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the contracts for difference is UBS AG.

The counterparty for the forward currency contracts is The Northern Trust Company.

The counterparty for the swaps is Goldman Sachs.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	92.82	88.49
Exchange traded financial derivative instruments	1.71	0.35
OTC Financial derivative instruments	0.33	0.14
Other assets	5.14	11.02
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Global Insurance Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Assets
<b>Investment Funds: 0.49% (2022: 0.59%)</b>			
<b>Bermuda: 0.02% (2022: 0.01%)</b>			
492	Lodgepine 2021	412,444	0.02
<b>Total Bermuda</b>		<b>412,444</b>	<b>0.02</b>
<b>United States: 0.47% (2022: 0.58%)</b>			
274	AlphaCat Opportunities	297,526	0.02
4,497	AlphaCat Opportunities II Ltd	2,293,512	0.11
4,958	AlphaCat Opportunities II Ltd ACO	3,995,192	0.20
347	AlphaCat Opportunities T2019	1,077,276	0.05
412,012	Kinesis	1,115,137	0.06
732,256	Kinesis Holdings I Jan	514,059	0.03
359,280	Kinesis Holdings I Limited	64,292	0.00
<b>Total United States</b>		<b>9,356,994</b>	<b>0.47</b>
<b>Total Investment Funds</b>		<b>9,769,438</b>	<b>0.49</b>
<b>Equities: 99.09% (2022: 98.14%)</b>			
<b>Insurance Brokers: 11.01% (2022: 12.35%)</b>			
205,000	Aon	46,798,787	2.34
875,000	Marsh & McLennan Cos	130,048,819	6.50
1,287,500	Ryan Specialty Group	43,448,576	2.17
<b>Total Insurance Brokers</b>		<b>220,296,182</b>	<b>11.01</b>
<b>Life/Health Insurance: 6.32% (2022: 6.62%)</b>			
485,000	Aflac	31,387,273	1.57
6,400,000	AIA	43,751,769	2.19
2,415,000	Prudential	21,425,880	1.07
1,250,000	Trupanion	29,916,455	1.49
<b>Total Life/Health Insurance</b>		<b>126,481,377</b>	<b>6.32</b>
<b>Multi-line Insurance: 10.00% (2022: 10.60%)</b>			
794,000	Chubb	140,762,459	7.03
20,000,000	Direct Line Insurance	36,390,000	1.82
667,500	Sampo Plc	22,910,719	1.15
<b>Total Multi-line Insurance</b>		<b>200,063,178</b>	<b>10.00</b>



## Portfolio Statements continued

As at 31 December 2023

## Global Insurance Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Assets
	<b>Equities: 99.09% (2022: 98.14%)</b> continued		
	<b>Property/Casualty Insurance: 46.68% (2022: 46.05%)</b>		
3,000,000	Arch Capital	174,780,341	8.73
11,600,000	Beazley	60,552,000	3.02
95,000	Berkshire Hathaway	26,578,833	1.33
700,000	First American Financial	35,384,371	1.77
4,925,000	Hagerty	30,134,136	1.50
3,875,000	Hiscox	40,842,500	2.04
690,000	Intact Financial	83,680,823	4.18
1,262,500	James River	9,150,846	0.46
12,500,000	Lancashire	78,000,000	3.90
85,000	Markel	94,674,842	4.73
2,162,500	ProAssurance	23,392,589	1.17
587,500	Progressive Corp	73,405,233	3.67
260,000	RLI	27,150,296	1.36
472,500	Travelers Companies	70,604,421	3.53
1,907,500	WR Berkley	105,819,256	5.29
	<b>Total Property/Casualty Insurance</b>	<b>934,150,487</b>	<b>46.68</b>
	<b>Reinsurance: 25.08% (2022: 22.52%)</b>		
2,387,500	Essent	98,773,720	4.94
280,000	Everest Re	77,661,116	3.88
136,250	Fairfax Financial	99,090,898	4.95
10,875,000	Helios Underwriting	16,584,375	0.83
487,500	Reinsurance of America	61,866,758	3.09
962,500	RenaissanceRe	147,983,983	7.39
	<b>Total Reinsurance</b>	<b>501,960,850</b>	<b>25.08</b>
	<b>Total Equities</b>	<b>1,982,952,074</b>	<b>99.09</b>
	<b>Total Transferable Securities</b>	<b>1,992,721,512</b>	<b>99.58</b>



## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.03% (2022: 0.01%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP	% of Net Assets
USD 19,108,349	CHF 16,501,244	0.7872	23/01/2024	418,259	0.02
USD 15,208,138	EUR 13,910,701	0.7872	23/01/2024	132,699	0.01
GBP 2,430,957	CHF 2,666,728	0.9116	23/01/2024	58,782	–
CAD 3,124,263	CHF 2,018,852	0.5890	23/01/2024	25,964	–
GBP 1,864,278	EUR 2,166,221	0.8606	23/01/2024	13,954	–
USD 4,720,983	GBP 3,716,347	0.7872	23/01/2024	13,401	–
HKD 4,049,051	CHF 448,093	0.1009	23/01/2024	11,464	–
EUR 357,097	CHF 337,127	0.8606	23/01/2024	5,130	–
EUR 274,215	CHF 258,882	0.8606	23/01/2024	3,941	–
HKD 3,103,332	EUR 363,764	0.1009	23/01/2024	3,549	–
HKD 262,686	CHF 29,138	0.1014	23/01/2024	807	–
EUR 34,762	CHF 32,756	0.8632	23/01/2024	442	–
EUR 182,537	GBP 158,731	0.8696	31/01/2024	416	–
EUR 107,555	CAD 157,408	0.5905	23/01/2024	400	–
HKD 1,001,942	GBP 101,075	0.1009	23/01/2024	390	–
USD 88,797	EUR 80,763	0.7901	02/01/2024	328	–
USD 22,099	CHF 18,919	0.7903	03/01/2024	298	–
GBP 80,385	EUR 92,846	0.8658	23/01/2024	117	–
CHF 12,035	USD 14,421	0.7830	23/01/2024	75	–
USD 19,093	EUR 17,354	0.7848	23/01/2024	71	–
HKD 66,418	GBP 6,741	0.1015	23/01/2024	67	–
USD 2,447	CHF 2,097	0.7848	23/01/2024	38	–
EUR 9,555	CAD 13,987	0.5939	23/01/2024	37	–
EUR 365,279	GBP 316,554	0.8666	02/01/2024	30	–
USD 20,729	GBP 16,289	0.7858	02/01/2024	29	–
EUR 12,633	GBP 10,982	0.8693	23/01/2024	29	–
GBP 2,731	CHF 2,959	0.9230	03/01/2024	27	–
USD 53,250	GBP 41,791	0.7848	23/01/2024	24	–
GBP 4,610	EUR 5,338	0.8637	31/01/2024	19	–
CAD 3,479	CHF 2,238	0.5939	03/01/2024	16	–
USD 660	CHF 570	0.7872	23/01/2024	14	–
USD 4,772	GBP 3,752	0.7862	23/01/2024	9	–
HKD 20,208	EUR 2,353	0.1011	02/01/2024	9	–
HKD 5,028	CHF 551	0.1012	03/01/2024	9	–
GBP 2,280	EUR 2,640	0.8635	23/01/2024	9	–
CHF 1,433	CAD 2,264	0.5940	23/01/2024	9	–
CHF 1,833	GBP 1,720	0.9382	23/01/2024	8	–



## Portfolio Statements continued

As at 31 December 2023

## Global Insurance Fund continued

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.03% (2022: 0.01%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP	% of Net Assets
GBP 901	CAD 1,525	0.5906	23/01/2024	7	–
EUR 404	CHF 382	0.8620	23/01/2024	6	–
GBP 292	CHF 319	0.9161	23/01/2024	6	–
EUR 340	CHF 320	0.8688	03/01/2024	4	–
EUR 50,464	GBP 43,733	0.8666	02/01/2024	4	–
GBP 103	CHF 113	0.9088	23/01/2024	3	–
HKD 4,268	EUR 497	0.1006	23/01/2024	2	–
GBP 442	CAD 746	0.5928	02/01/2024	2	–
CHF 345	HKD 3,226	0.1003	23/01/2024	2	–
HKD 11,903	GBP 1,198	0.1006	23/01/2024	2	–
CAD 385	CHF 247	0.5886	23/01/2024	2	–
USD 80	CHF 69	0.7906	23/01/2024	2	–
EUR 167	GBP 146	0.8703	23/01/2024	1	–
EUR 476	CAD 696	0.5890	23/01/2024	1	–
EUR 38	CHF 36	0.8635	23/01/2024	1	–
HKD 547	CHF 60	0.1006	23/01/2024	1	–
USD 94	CHF 80	0.7864	03/01/2024	1	–
HKD 437	CHF 48	0.1009	23/01/2024	1	–
USD 393	EUR 357	0.7863	02/01/2024	1	–
GBP 52	CHF 57	0.9139	23/01/2024	1	–
GBP 4	EUR 4	0.8660	02/01/2024	–	–
GBP 4	CHF 4	0.9112	23/01/2024	–	–
GBP 40	EUR 46	0.8635	23/01/2024	–	–
USD 4	CHF 3	0.7893	23/01/2024	–	–
GBP –	CHF –	1.0000	23/01/2024	–	–
CHF 186	EUR 200	0.8703	23/01/2024	–	–
GBP 33	EUR 38	0.8635	23/01/2024	–	–
GBP 13	CAD 22	0.5906	23/01/2024	–	–
JPY 4	EUR –	0.0075	23/01/2024	–	–
GBP 117	EUR 135	0.8644	23/01/2024	–	–
CHF 2	GBP 2	0.9387	23/01/2024	–	–
GBP 2	CHF 2	0.9121	23/01/2024	–	–
HKD 20	GBP 2	0.1014	23/01/2024	–	–
HKD 1,064	GBP 107	0.1006	23/01/2024	–	–
EUR 11	CAD 16	0.5928	23/01/2024	–	–
EUR 25	CHF 23	0.8604	23/01/2024	–	–



## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.03% (2022: 0.01%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP	% of Net Assets
GBP 9	USD 12	0.7847	23/01/2024	–	–
GBP 72	EUR 83	0.8670	23/01/2024	–	–
GBP 4	CHF 5	0.9161	23/01/2024	–	–
EUR 1	CHF 1	0.8672	23/01/2024	–	–
USD 31	EUR 28	0.7900	23/01/2024	–	–
CHF –	CAD 1	0.5932	23/01/2024	–	–
GBP 63	EUR 72	0.8662	02/01/2024	–	–
HKD 9	GBP 1	0.1001	23/01/2024	–	–
GBP 1	CHF 1	0.9239	03/01/2024	–	–
JPY 5	CHF –	0.0060	23/01/2024	–	–
CAD 48	CHF 31	0.5892	23/01/2024	–	–
JPY 1	GBP –	0.0100	23/01/2024	–	–
HKD 334	EUR 39	0.1006	23/01/2024	–	–
EUR 12	CHF 12	0.8648	23/01/2024	–	–
GBP 15	EUR 18	0.8646	23/01/2024	–	–
HKD 84	CHF 9	0.1006	23/01/2024	–	–
EUR 1	CHF 1	0.8592	23/01/2024	–	–
GBP 16	CAD 27	0.5887	23/01/2024	–	–
EUR 3	CAD 4	0.5927	23/01/2024	–	–
EUR 17	CHF 16	0.8702	23/01/2024	–	–
CHF 2	EUR 2	0.8700	23/01/2024	–	–
GBP 33	EUR 38	0.8666	02/01/2024	–	–
GBP 18	CHF 20	0.9217	23/01/2024	–	–
CAD 17	CHF 11	0.5906	23/01/2024	–	–
CAD 3	CHF 2	0.5920	03/01/2024	–	–
GBP –	CHF –	1.0000	23/01/2024	–	–
EUR –	CHF –	0.8750	23/01/2024	–	–
GBP 515	EUR 595	0.8664	02/01/2024	–	–
EUR 3	CHF 3	0.8652	23/01/2024	–	–
USD 30	EUR 27	0.7883	23/01/2024	–	–
GBP 19	EUR 22	0.8648	23/01/2024	–	–
USD 238	GBP 187	0.7858	02/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				690,920	0.03
<b>Total Financial Assets at fair value through profit or loss</b>				1,993,412,432	99.61



## Portfolio Statements continued

As at 31 December 2023

## Global Insurance Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.01%) (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP	% of Net Assets
GBP 2,639,364	USD 3,344,314	0.7892	31/01/2024	(16,343)	(0.01)
GBP 1,647,124	USD 2,084,124	0.7903	02/01/2024	(12,261)	–
EUR 724,771	USD 792,031	0.7872	23/01/2024	(7,179)	–
GBP 2,366,682	EUR 2,723,439	0.8690	02/01/2024	(6,746)	–
CHF 347,317	EUR 366,994	0.8644	23/01/2024	(6,061)	–
CAD 767,195	GBP 451,906	0.5890	23/01/2024	(4,566)	–
CAD 2,397,298	EUR 1,640,811	0.5890	23/01/2024	(3,690)	–
CHF 146,208	GBP 133,888	0.9157	23/01/2024	(2,617)	–
CHF 100,204	CAD 154,993	0.5905	23/01/2024	(1,334)	–
EUR 90,474	GBP 77,860	0.8606	23/01/2024	(586)	–
EUR 152,552	GBP 131,686	0.8632	23/01/2024	(585)	–
GBP 7,220,157	EUR 8,324,234	0.8674	31/01/2024	(527)	–
EUR 67,864	GBP 58,404	0.8606	23/01/2024	(437)	–
GBP 158,582	EUR 182,537	0.8688	02/01/2024	(409)	–
EUR 80,763	USD 88,869	0.7901	23/01/2024	(321)	–
CHF 18,919	USD 22,144	0.7901	23/01/2024	(295)	–
CHF 10,586	USD 12,258	0.7872	23/01/2024	(268)	–
CHF 16,588	EUR 17,584	0.8672	23/01/2024	(241)	–
USD 42,658	CHF 35,601	0.7832	23/01/2024	(221)	–
GBP 109,867	USD 139,821	0.7858	03/01/2024	(187)	–
GBP 60,875	EUR 70,052	0.8690	02/01/2024	(174)	–
CHF 14,396	EUR 15,345	0.8692	23/01/2024	(135)	–
GBP 455,300	EUR 525,293	0.8668	03/01/2024	(119)	–
GBP 7,640	USD 9,661	0.7908	23/01/2024	(62)	–
CAD 8,376	GBP 4,930	0.5886	23/01/2024	(54)	–
USD 11,715	EUR 10,540	0.7830	23/01/2024	(50)	–
CHF 1,878	USD 2,175	0.7872	23/01/2024	(48)	–
CHF 2,582	EUR 2,735	0.8606	23/01/2024	(39)	–
EUR 4,033	USD 4,410	0.7872	23/01/2024	(39)	–
CHF 1,729	GBP 1,576	0.9116	23/01/2024	(38)	–
CAD 13,981	EUR 9,555	0.5938	02/01/2024	(37)	–
EUR 8,613	GBP 7,435	0.8632	23/01/2024	(33)	–
GBP 10,975	EUR 12,633	0.8688	02/01/2024	(28)	–
CHF 2,959	GBP 2,737	0.9248	23/01/2024	(26)	–
CAD 6,696	CHF 4,239	0.5941	23/01/2024	(26)	–



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.01%) (2022: Nil) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP	% of Net Assets
GBP 5,087	CHF 5,421	0.9382	23/01/2024	(25)	–
GBP 82,278	EUR 94,926	0.8668	03/01/2024	(22)	–
GBP 2,975	USD 3,765	0.7903	02/01/2024	(22)	–
GBP 2,941	USD 3,723	0.7900	31/01/2024	(21)	–
CHF 834	GBP 760	0.9116	23/01/2024	(18)	–
USD 12,056	GBP 9,440	0.7830	23/01/2024	(17)	–
CHF 1,251	CAD 1,935	0.5891	23/01/2024	(16)	–
CHF 2,238	CAD 3,485	0.5939	23/01/2024	(16)	–
GBP 5,147	EUR 5,923	0.8690	02/01/2024	(15)	–
CAD 3,003	EUR 2,047	0.5886	23/01/2024	(12)	–
EUR 2,353	HKD 20,212	0.1012	23/01/2024	(9)	–
GBP 3,752	USD 4,771	0.7864	02/01/2024	(9)	–
CHF 489	EUR 516	0.8644	23/01/2024	(9)	–
GBP 3,343	EUR 3,845	0.8695	23/01/2024	(9)	–
GBP 3,655	USD 4,649	0.7862	02/01/2024	(8)	–
CHF 296	HKD 2,676	0.1009	23/01/2024	(8)	–
CHF 551	HKD 5,036	0.1012	23/01/2024	(8)	–
HKD 9,543	CHF 1,020	0.1003	23/01/2024	(7)	–
CAD 1,839	EUR 1,255	0.5940	23/01/2024	(6)	–
GBP 1,397	EUR 1,605	0.8703	23/01/2024	(5)	–
EUR 659	GBP 567	0.8606	23/01/2024	(4)	–
CHF 320	EUR 341	0.8695	23/01/2024	(4)	–
CHF 173	EUR 183	0.8606	23/01/2024	(3)	–
EUR 828	GBP 715	0.8635	23/01/2024	(3)	–
CHF 162	GBP 149	0.9145	23/01/2024	(3)	–
GBP 3,775	EUR 4,351	0.8676	23/01/2024	(2)	–
CAD 746	GBP 442	0.5929	23/01/2024	(2)	–
CAD 1,893	GBP 1,124	0.5939	23/01/2024	(2)	–
HKD 2,621	EUR 302	0.1003	23/01/2024	(2)	–
GBP 224	HKD 2,209	0.1014	23/01/2024	(2)	–
EUR 592	CHF 549	0.8705	23/01/2024	(1)	–
EUR 113	HKD 962	0.1009	23/01/2024	(1)	–
CHF 102	CAD 158	0.5890	23/01/2024	(1)	–
CHF 80	USD 94	0.7862	23/01/2024	(1)	–
EUR 357	USD 393	0.7862	23/01/2024	(1)	–



## Portfolio Statements continued

As at 31 December 2023

## Global Insurance Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.01%) (2022: Nil) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP	% of Net Assets
GBP 105	USD 133	0.7908	23/01/2024	(1)	–
HKD 2,697	GBP 270	0.1002	23/01/2024	(1)	–
GBP 2,087	EUR 2,408	0.8668	03/01/2024	(1)	–
CHF 1	HKD 6	0.1012	23/01/2024	–	–
EUR 72	GBP 63	0.8669	23/01/2024	–	–
CHF 20	GBP 18	0.9197	03/01/2024	–	–
GBP 1,721	EUR 1,986	0.8666	02/01/2024	–	–
CHF 3	EUR 4	0.8635	23/01/2024	–	–
CHF 13	GBP 12	0.9115	23/01/2024	–	–
EUR 5	HKD 40	0.1015	23/01/2024	–	–
CHF 0	GBP 0	0.8571	23/01/2024	–	–
CHF 3	EUR 3	0.8648	03/01/2024	–	–
EUR 5	HKD 45	0.1011	23/01/2024	–	–
GBP 7	USD 8	0.7856	02/01/2024	–	–
EUR 39	HKD 334	0.1006	02/01/2024	–	–
CHF 2	EUR 2	0.8683	23/01/2024	–	–
USD 19	GBP 15	0.7818	23/01/2024	–	–
CHF 12	HKD 111	0.1014	23/01/2024	–	–
CHF 2	CAD 3	0.5920	23/01/2024	–	–
CAD 6	EUR 4	0.5910	23/01/2024	–	–
CHF 1	GBP 1	0.9239	23/01/2024	–	–
GBP 107	HKD 1,064	0.1006	02/01/2024	–	–
CAD 16	EUR 11	0.5928	02/01/2024	–	–
EUR 595	GBP 516	0.8671	31/01/2024	–	–
CHF 1	EUR 1	0.8672	03/01/2024	–	–
CHF 16	EUR 17	0.8690	03/01/2024	–	–
GBP 15	HKD 147	0.1007	23/01/2024	–	–
GBP 5	EUR 5	0.8694	23/01/2024	–	–
CHF 9	HKD 84	0.1007	03/01/2024	–	–
CHF 7	EUR 8	0.8602	23/01/2024	–	–
EUR 83	GBP 72	0.8664	02/01/2024	–	–
CHF 9	GBP 9	0.9163	23/01/2024	–	–
CHF 15	HKD 133	0.1009	23/01/2024	–	–
CAD 10	GBP 6	0.5923	23/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(66,079)	(0.01%)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(66,079)	(0.01%)



	Fair Value GBP	% of Net Assets
<b>Total Value of Investments (Cost: GBP 1,459,780,867)</b>	1,993,346,353	99.60
Cash at Bank	21,572,515	1.08
Other Net Liabilities	(13,645,995)	(0.68)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>2,001,272,873</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

<b>Analysis of total assets</b>	<b>31 December 2023 % of Total Assets</b>	<b>31 December 2022 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	97.29	98.19
OTC Financial derivative instruments	0.03	0.01
Other assets	2.68	1.80
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.

## Global Technology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Funds: 3.94% (2022: Nil)</b>			
<b>Ireland: 3.94% (2022: Nil)</b>			
219,798,000	Northern Trust Global Funds – US Dollar Fund	219,798,000	3.94
<b>Total Ireland</b>		219,798,000	3.94
<b>Total Investment Funds</b>		219,798,000	3.94
<b>Equities: 95.20% (2022: 95.87%)</b>			
<b>Communications: 16.16% (2022: 14.16%)</b>			
1,265,007	Alphabet Class A	176,708,828	3.17
1,250,896	Alphabet Class C	176,288,773	3.16
1,009,333	Amazon.com	153,358,056	2.75
500,073	Meta Platforms	177,005,839	3.17
139,220	Monolithic Power Systems	87,817,192	1.57
1,301,159	Pinterest	48,194,929	0.86
466,182	Trade Desk	33,546,457	0.60
792,972	Uber	48,823,286	0.88
<b>Total Communications</b>		901,743,360	16.16
<b>Consumer, Cyclical: 0.80% (2022: 2.14%)</b>			
650,738	Lattice Semiconductor	44,894,415	0.80
<b>Total Consumer, Cyclical</b>		44,894,415	0.80
<b>Consumer, Non-cyclical: 3.46% (2022: 1.92%)</b>			
469,953	DoorDash	46,473,652	0.83
169,650	Netflix	82,599,192	1.48
257,384	Tesla Inc.	63,954,776	1.15
<b>Total Consumer, Non-cyclical</b>		193,027,620	3.46
<b>Energy: Nil (2022: 2.70%)</b>		–	–
<b>Financial: 3.02% (2022: 9.26%)</b>			
400,784	Crowdstrike	102,328,171	1.84
301,158	CyberArk Software	65,968,660	1.18
<b>Total Financial</b>		168,296,831	3.02
<b>Industrial: 4.22% (2022: 4.36%)</b>			
125,794	Axon Enterprise	32,496,364	0.58
518,075	DISCO	128,544,925	2.30
363,600	Hoya	45,456,448	0.82
65,582	Keyence	28,897,388	0.52
<b>Total Industrial</b>		235,395,125	4.22



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 95.20% (2022: 95.87%)</b> continued		
	<b>Technology: 67.54% (2022: 61.33%)</b>		
127,052	Adobe	75,799,223	1.36
2,070,934	Advanced Micro Devices	305,276,381	5.47
1,826,630	Advantest	62,153,101	1.11
1,133,658	Apple	218,263,175	3.91
447,877	Arista Networks	105,479,512	1.89
746,679	Arm	56,109,194	1.01
100,720	ASM International	52,286,801	0.94
120,840	ASML	90,997,343	1.63
423,595	BE Semiconductor Industries	63,848,260	1.14
43,588	Broadcom	48,655,105	0.87
281,087	Cadence Design Systems	76,559,666	1.37
325,431	Cloudflare	27,095,385	0.49
312,250	Datadog	37,900,905	0.68
4,871,005	E Ink	31,266,613	0.56
590,384	Elastic	66,536,277	1.19
1,109,764	eMemory Technology	88,591,642	1.59
409,558	Fabrinet	77,951,174	1.40
4,492,000	Gold Circuit Electronics Ltd.	31,907,463	0.57
117,769	HubSpot	68,369,615	1.23
125,068	KLA Corp	72,702,028	1.30
1,298,200	Kokusai Electric Corp.	28,223,741	0.51
9,304,050	Lite-On Technology	35,469,408	0.64
1,228,750	Micron Technology	104,861,525	1.88
747,465	Microsoft	281,076,739	5.04
186,101	Monday.com	34,951,629	0.63
186,158	MongoDB	76,110,698	1.36
739,533	Nintendo	38,602,804	0.69
781,513	NVIDIA	387,020,868	6.94
193,738	Palo Alto Networks	57,129,461	1.02
2,008,885	Pure Storage	71,636,839	1.28
349,333	Qualcomm	50,524,032	0.91
8,363,100	Quanta Computer	61,175,802	1.10
1,111,194	Rambus	75,838,991	1.36
142,042	salesforce.com	37,376,932	0.67
2,217,513	Samsung Electronics	135,161,713	2.42
145,523	ServiceNow	102,810,544	1.84

## Global Technology Fund continued

Holdings	Financial assets at fair value through profit or loss					Fair Value US\$	% of Net Assets
	<b>Equities: 95.20% (2022: 95.87%)</b> continued						
	Technology: 67.54% (2022: 61.33%) continued						
1,256,682	Shopify					97,895,528	1.75
270,130	Snowflake Inc.					53,755,870	0.96
168,006	Synopsys					86,507,970	1.55
7,807,100	Taiwan Semiconductor Manufacturing					150,848,318	2.70
9,389,650	Unimicron Technology					53,846,578	0.96
122,500	Workday					33,817,350	0.61
253,795	Zscaler					56,230,820	1.01
	<b>Total Technology</b>					<b>3,768,623,023</b>	<b>67.54</b>
	<b>Total Equities</b>					<b>5,311,980,374</b>	<b>95.20</b>
	<b>Total Transferable Securities</b>					<b>5,531,778,374</b>	<b>99.14</b>
	<b>Options Purchased: 0.30% (2022: 0.01%)</b>						
Description	Base Currency	Strike Price	No. of Contracts	Maturity Date	Fair Value US\$	% of Net Assets	
Option Nasdaq 100 Put 13000	USD	13,000.00	250	19/01/2024	65,625	–	
Option Microsoft Call 400	USD	400.00	14,000	16/02/2024	7,560,000	0.13	
Option Nasdaq 100 Put 14000	USD	14,000.00	495	16/02/2024	900,900	0.02	
Option Apple Call 210	USD	210.00	27,500	15/03/2024	4,510,000	0.08	
Option Nasdaq 100 Put 14500	USD	14,500.00	665	15/03/2024	3,743,950	0.07	
	<b>Total Options Purchased</b>					<b>16,780,475</b>	<b>0.30</b>
	<b>Open Forward Currency Contracts: 0.08% (2022: 0.01%)</b>						
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets		
USD 85,943,801	CHF 73,745,110	1.1654	31/01/2024	1,910,985	0.03		
USD 137,352,681	GBP 108,400,013	1.2671	31/01/2024	855,775	0.02		
USD 131,565,523	EUR 119,720,605	1.0989	31/01/2024	821,335	0.01		
USD 28,252,198	CHF 24,242,138	1.1654	31/01/2024	628,196	0.01		
USD 45,916,158	EUR 41,782,301	1.0989	31/01/2024	286,645	0.01		
USD 44,203,060	EUR 40,223,434	1.0989	31/01/2024	275,950	–		
USD 1,857,344	GBP 1,467,895	1.2653	02/01/2024	13,929	–		
USD 1,864,297	EUR 1,692,110	1.1018	03/01/2024	4,892	–		
USD 754,829	EUR 686,484	1.0996	02/01/2024	3,496	–		
USD 425,968	EUR 387,533	1.0992	31/01/2024	2,565	–		
USD 481,663	EUR 438,085	1.0995	02/01/2024	2,268	–		
USD 871,341	GBP 684,674	1.2726	03/01/2024	1,482	–		
USD 198,721	GBP 157,022	1.2656	02/01/2024	1,450	–		



## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.08% (2022: 0.01%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 708,599	EUR 642,773	1.1024	03/01/2024	1,440	–
USD 292,359	EUR 265,887	1.0996	02/01/2024	1,354	–
USD 195,564	GBP 154,342	1.2671	31/01/2024	1,220	–
USD 242,353	EUR 220,427	1.0995	02/01/2024	1,141	–
USD 175,330	EUR 159,510	1.0992	31/01/2024	1,056	–
EUR 150,472	USD 167,294	1.1118	31/01/2024	902	–
USD 311,003	EUR 281,978	1.1029	31/01/2024	808	–
USD 32,611	CHF 27,918	1.1681	03/01/2024	560	–
USD 105,885	EUR 96,197	1.1007	31/01/2024	489	–
USD 28,265	CHF 24,161	1.1699	03/01/2024	441	–
EUR 67,745	USD 75,318	1.1118	31/01/2024	406	–
USD 22,653	CHF 19,338	1.1714	31/01/2024	385	–
USD 14,468	CHF 12,407	1.1661	31/01/2024	313	–
USD 37,858	GBP 29,909	1.2658	31/01/2024	276	–
CHF 34,215	USD 41,028	1.1991	31/01/2024	267	–
USD 109,696	GBP 86,243	1.2719	31/01/2024	262	–
USD 15,059	CHF 12,892	1.1681	03/01/2024	259	–
USD 102,959	GBP 80,959	1.2717	03/01/2024	248	–
USD 101,171	EUR 91,773	1.1024	03/01/2024	206	–
USD 33,925	EUR 30,864	1.0992	31/01/2024	204	–
USD 68,287	EUR 61,980	1.1018	03/01/2024	179	–
USD 62,296	EUR 56,509	1.1024	03/01/2024	127	–
USD 13,326	GBP 10,531	1.2653	02/01/2024	100	–
USD 33,264	EUR 30,160	1.1029	31/01/2024	86	–
USD 16,637	EUR 15,131	1.0996	02/01/2024	77	–
USD 3,378	CHF 2,898	1.1657	31/01/2024	74	–
USD 33,786	EUR 30,648	1.1024	03/01/2024	69	–
USD 29,634	EUR 26,881	1.1024	03/01/2024	60	–
USD 24,342	GBP 19,138	1.2719	02/01/2024	55	–
GBP 17,833	USD 22,777	1.2772	31/01/2024	40	–
USD 13,975	GBP 10,981	1.2726	03/01/2024	24	–
USD 9,129	EUR 8,285	1.1019	02/01/2024	23	–
USD 2,863	EUR 2,605	1.0991	31/01/2024	17	–
USD 6,498	EUR 5,898	1.1017	02/01/2024	17	–
USD 3,425	EUR 3,115	1.0996	02/01/2024	16	–
USD 3,246	EUR 2,952	1.0995	02/01/2024	15	–



## Portfolio Statements continued

As at 31 December 2023

## Global Technology Fund continued

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.08% (2022: 0.01%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 3,044	EUR 2,768	1.0996	02/01/2024	14	–
USD 535	CHF 458	1.1681	31/01/2024	11	–
USD 1,923	EUR 1,747	1.1005	31/01/2024	9	–
USD 1,324	GBP 1,045	1.2671	31/01/2024	8	–
USD 2,938	EUR 2,667	1.1019	02/01/2024	7	–
USD 2,622	EUR 2,380	1.1018	03/01/2024	7	–
USD 2,840	EUR 2,578	1.1017	02/01/2024	7	–
USD 421	CHF 360	1.1699	03/01/2024	7	–
USD 2,700	GBP 2,123	1.2717	02/01/2024	6	–
USD 296	CHF 252	1.1731	31/01/2024	5	–
USD 197	CHF 168	1.1699	03/01/2024	3	–
USD 1,811	GBP 1,423	1.2726	03/01/2024	3	–
USD 317	EUR 288	1.1005	31/01/2024	2	–
USD 18	CHF 15	1.1858	31/01/2024	–	–
USD 6	EUR 5	1.0985	31/01/2024	–	–
USD 197	GBP 155	1.2719	02/01/2024	–	–
USD 44	EUR 40	1.1018	02/01/2024	–	–
USD 69	EUR 62	1.1019	02/01/2024	–	–
USD 178	EUR 162	1.1029	31/01/2024	–	–
USD 39	EUR 35	1.1020	02/01/2024	–	–
USD 42	EUR 38	1.1020	02/01/2024	–	–
EUR 50	USD 55	1.1118	31/01/2024	–	–
EUR 13	USD 14	1.1115	31/01/2024	–	–
USD 55	EUR 50	1.1030	31/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				4,822,273	0.08
<b>Total Financial Assets at fair value through profit or loss</b>				5,553,381,122	99.52



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: (0.03%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
CHF 225,285	USD 262,714	1.1661	31/01/2024	(5,675)	–
EUR 1,692,110	USD 1,866,284	1.1029	31/01/2024	(4,849)	–
EUR 438,085	USD 482,206	1.1007	31/01/2024	(2,228)	–
GBP 873,882	USD 1,112,078	1.2726	02/01/2024	(1,947)	–
GBP 157,022	USD 198,754	1.2658	31/01/2024	(1,447)	–
EUR 203,679	USD 223,880	1.0992	31/01/2024	(1,348)	–
EUR 220,427	USD 242,627	1.1007	31/01/2024	(1,121)	–
EUR 281,978	USD 310,633	1.1016	02/01/2024	(854)	–
GBP 85,857	USD 108,788	1.2671	31/01/2024	(678)	–
USD 103,754	EUR 93,322	1.1118	31/01/2024	(559)	–
CHF 27,918	USD 32,704	1.1714	31/01/2024	(555)	–
CHF 24,161	USD 28,344	1.1731	31/01/2024	(440)	–
EUR 136,171	USD 150,097	1.1023	02/01/2024	(324)	–
GBP 86,243	USD 109,672	1.2717	02/01/2024	(270)	–
CHF 12,892	USD 15,102	1.1714	31/01/2024	(257)	–
EUR 106,444	USD 117,330	1.1023	02/01/2024	(253)	–
GBP 80,959	USD 102,976	1.2719	31/01/2024	(246)	–
USD 27,863	CHF 23,236	1.1991	31/01/2024	(181)	–
EUR 61,980	USD 68,360	1.1029	31/01/2024	(178)	–
USD 97,637	GBP 76,445	1.2772	31/01/2024	(171)	–
EUR 30,160	USD 33,225	1.1016	02/01/2024	(91)	–
EUR 5,898	USD 6,505	1.1029	31/01/2024	(17)	–
EUR 2,952	USD 3,250	1.1007	31/01/2024	(15)	–
EUR 5,433	USD 5,988	1.1023	02/01/2024	(13)	–
EUR 5,000	USD 5,511	1.1023	02/01/2024	(12)	–
USD 1,855	EUR 1,669	1.1118	31/01/2024	(10)	–
EUR 2,578	USD 2,843	1.1029	31/01/2024	(7)	–
EUR 2,380	USD 2,625	1.1029	31/01/2024	(7)	–
GBP 2,123	USD 2,700	1.2719	31/01/2024	(7)	–
CHF 360	USD 422	1.1731	31/01/2024	(7)	–
EUR 882	USD 969	1.0991	31/01/2024	(6)	–
EUR 874	USD 961	1.0991	31/01/2024	(6)	–
GBP 1,859	USD 2,366	1.2726	02/01/2024	(4)	–
USD 753	EUR 678	1.1118	31/01/2024	(4)	–
CHF 160	USD 186	1.1657	31/01/2024	(4)	–
EUR 360	USD 396	1.0991	31/01/2024	(3)	–



## Portfolio Statements continued

As at 31 December 2023

## Global Technology Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: (0.03%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
CHF 168	USD 197	1.1731	31/01/2024	(3)	–
EUR 408	USD 449	1.0992	31/01/2024	(3)	–
CHF 88	USD 102	1.1681	31/01/2024	(2)	–
CHF 70	USD 82	1.1681	31/01/2024	(2)	–
EUR 405	USD 446	1.1005	31/01/2024	(2)	–
EUR 424	USD 466	1.1005	31/01/2024	(2)	–
EUR 50	USD 55	1.1016	02/01/2024	–	–
USD 30	EUR 27	1.1119	31/01/2024	–	–
EUR 17	USD 19	1.1004	31/01/2024	–	–
USD 2	EUR 1	1.1111	31/01/2024	–	–
GBP 483	USD 615	1.2742	31/01/2024	–	–
USD 58	GBP 45	1.2790	31/01/2024	–	–
EUR 40	USD 44	1.1030	31/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(23,808)	0.00
<b>Total Financial Liabilities at fair value through profit or loss</b>				(23,808)	0.00

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 4,179,850,736)</b>	5,553,357,314	99.52
Cash at Bank	53,347,655	0.96
Margin Cash	279,436	0.01
Other Net Liabilities	(27,042,846)	(0.49)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	5,579,941,559	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

The counterparty for the options, which are all covered, is Credit Suisse Securities (Europe) Limited.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.96	95.41
Exchange traded financial derivative instruments	0.30	0.01
OTC Financial derivative instruments	0.09	0.01
Other assets	1.65	4.57
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01%.



## Healthcare Blue Chip Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Investment Funds: 1.77% (2022: Nil)</b>		
	<b>Ireland: 1.77% (2022: Nil)</b>		
4,497,000	Northern Trust Global Funds – US Dollar Fund	4,497,000	1.77
	<b>Total Ireland</b>	<b>4,497,000</b>	<b>1.77</b>
	<b>Total Investment Funds</b>	<b>4,497,000</b>	<b>1.77</b>
	<b>Equities: 98.71% (2022: 96.69%)</b>		
	<b>Biotechnology: 4.47% (2022: Nil)</b>		
58,000	CSL	11,344,547	4.47
	<b>Total Biotechnology</b>	<b>11,344,547</b>	<b>4.47</b>
	<b>Containers-Paper/Plastic: 2.37% (2022: 2.02%)</b>		
48,625	AptarGroup	6,011,022	2.37
	<b>Total Containers-Paper/Plastic</b>	<b>6,011,022</b>	<b>2.37</b>
	<b>Diagnostic Equipment: Nil (2022: 2.22%)</b>		
	<b>Drug Delivery Systems: 1.99% (2022: Nil)</b>		
20,712	Becton Dickinson	5,050,207	1.99
	<b>Total Drug Delivery Systems</b>	<b>5,050,207</b>	<b>1.99</b>
	<b>Electronic Measuring Instruments: Nil (2022: 2.03%)</b>		
	<b>Health Care: 4.83% (2022: Nil)</b>		
92,302	Legend Biotech	5,553,812	2.19
232,800	Takeda Pharmaceutical	6,694,362	2.64
	<b>Total Health Care</b>	<b>12,248,174</b>	<b>4.83</b>
	<b>Healthcare-Products: 5.44% (2022: Nil)</b>		
36,274	EssilorLuxottica	7,276,726	2.87
30,000	Insulet	6,509,400	2.57
	<b>Total Healthcare-Products</b>	<b>13,786,126</b>	<b>5.44</b>
	<b>Healthcare-Services: 4.58% (2022: Nil)</b>		
24,652	Elevance Health	11,624,897	4.58
	<b>Total Healthcare-Services</b>	<b>11,624,897</b>	<b>4.58</b>
	<b>Medical Instruments: 3.50% (2022: 6.53%)</b>		
113,832	Alcon	8,877,719	3.50
	<b>Total Medical Instruments</b>	<b>8,877,719</b>	<b>3.50</b>



## Portfolio Statements continued

As at 31 December 2023

## Healthcare Blue Chip Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Investment Funds: 1.77% (2022: Nil) continued</b>		
	<b>Medical Labs &amp; Testing Services: 2.55% (2022: Nil)</b>		
27,967	IQVIA	6,471,004	2.55
	<b>Total Medical Labs &amp; Testing Services</b>	<b>6,471,004</b>	<b>2.55</b>
	<b>Medical Products: 10.42% (2022: 2.10%)</b>		
105,000	Abbott Laboratories	11,557,350	4.56
36,000	Shockwave Medical	6,860,160	2.71
65,714	Zimmer Biomet	7,997,394	3.15
	<b>Total Medical Products</b>	<b>26,414,904</b>	<b>10.42</b>
	<b>Medical-Biomedical/Gene: 15.56% (2022: 18.58%)</b>		
13,500	Argenx	5,122,538	2.02
50,509	BioMerieux	5,612,954	2.21
16,801	Bio-Rad Laboratories	5,424,875	2.14
1,800,000	ConvaTec Group	5,603,512	2.21
58,337	DexCom Inc	7,239,038	2.86
394,636	Swedish Orphan Biovitrum	10,455,386	4.12
	<b>Total Medical-Biomedical/Gene</b>	<b>39,458,303</b>	<b>15.56</b>
	<b>Medical-Drugs: 31.54% (2022: 46.95%)</b>		
103,860	AbbVie	16,095,184	6.34
538,600	Astellas Pharma	6,441,195	2.54
88,935	AstraZeneca	12,017,681	4.74
61,117	Coloplast	6,991,683	2.76
47,296	Cytokinetics	4,001,332	1.58
28,062	Eli Lilly	16,357,901	6.45
35,902	HCA Healthcare	9,717,953	3.83
19,924	Lonza Group	8,372,980	3.30
	<b>Total Medical-Drugs</b>	<b>79,995,909</b>	<b>31.54</b>
	<b>Medical-HMO: 4.72% (2022: 8.58%)</b>		
9,235	Humana	4,227,875	1.67
22,963	Intuitive Surgical	7,746,798	3.05
	<b>Total Medical-HMO</b>	<b>11,974,673</b>	<b>4.72</b>



Holdings	Financial assets at fair value through profit or loss			Fair Value US\$	% of Net Assets	
	<b>Investment Funds: 1.77% (2022: Nil)</b> continued					
	<b>Medical-Hospitals: 4.30% (2022: 5.28%)</b>					
67,705	Acadia Healthcare			5,264,741	2.08	
74,500	Tenet Healthcare			5,629,965	2.22	
	<b>Total Medical-Hospitals</b>			<b>10,894,706</b>	<b>4.30</b>	
	<b>Pharmacy Services: Nil (2022: 2.40%)</b>			<b>–</b>	<b>–</b>	
	<b>Therapeutics: 2.44% (2022: Nil)</b>					
47,000	Neurocrine Biosciences			6,192,720	2.44	
	<b>Total Therapeutics</b>			<b>6,192,720</b>	<b>2.44</b>	
	<b>Total Equities</b>			<b>250,344,911</b>	<b>98.71</b>	
	<b>Total Transferable Securities</b>			<b>254,841,911</b>	<b>100.48</b>	
	<b>Open Forward Currency Contracts: 0.01% (2022: Nil)</b>					
	<b>Currency Sold</b>	<b>Currency Bought</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Gain US\$</b>	<b>% of Net Assets</b>
	USD 2,332,453	GBP 1,840,794	1.2671	31/01/2024	14,532	0.01
	USD 1,277,169	EUR 1,161,530	1.0996	02/01/2024	5,914	–
	USD 117,419	GBP 92,799	1.2653	02/01/2024	881	–
	USD 46,721	GBP 36,924	1.2653	02/01/2024	350	–
	USD 187,245	GBP 147,132	1.2726	03/01/2024	318	–
	USD 32,742	GBP 25,876	1.2653	02/01/2024	246	–
	USD 32,853	GBP 25,815	1.2726	03/01/2024	56	–
	USD 15,381	EUR 13,952	1.1024	03/01/2024	31	–
	USD 11,034	EUR 10,014	1.1019	02/01/2024	28	–
	USD 1,124	EUR 1,023	1.0989	31/01/2024	7	–
	USD 1,230	GBP 967	1.2719	02/01/2024	3	–
	USD 507	GBP 399	1.2719	02/01/2024	1	–
	USD 342	GBP 269	1.2720	02/01/2024	1	–
	USD 127	GBP 100	1.2726	03/01/2024	–	–
	<b>Total unrealised gain on forward foreign currency contracts</b>			<b>22,368</b>	<b>0.01</b>	
	<b>Total Financial Assets at fair value through profit or loss</b>			<b>254,864,279</b>	<b>100.49</b>	



## Portfolio Statements continued

As at 31 December 2023

## Healthcare Blue Chip Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: (0.01%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 91,734	USD 116,738	1.2726	02/01/2024	(204)	–
EUR 50,000	USD 55,114	1.1023	02/01/2024	(119)	–
GBP 12,800	USD 16,289	1.2726	02/01/2024	(29)	–
GBP 119	USD 151	1.2726	02/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(352)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(352)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 241,271,396)</b>	254,863,927	100.49
Cash at Bank	2,642,685	1.04
Other Net Liabilities	(3,893,921)	(1.53)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	253,612,691	100.00

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.64	95.88
OTC Financial derivative instruments	0.01	–
Other assets	1.35	4.12
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01%.



## Healthcare Discovery Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 98.04% (2022: 99.26%)</b>		
	<b>Commercial Services: 6.35% (2022: 2.32%)</b>		
2,385	HealthEquity	158,126	1.83
8,350	Medley	260,604	3.01
3,500	Progyny	130,130	1.51
	<b>Total Commercial Services</b>	<b>548,860</b>	<b>6.35</b>
	<b>Containers-Metal/Glass: 1.31% (2022: 1.26%)</b>		
1,091	Gerresheimer	113,708	1.31
	<b>Total Containers-Metal/Glass</b>	<b>113,708</b>	<b>1.31</b>
	<b>Diagnostic Kits: 4.06% (2022: 2.59%)</b>		
5,600	Natera	350,784	4.06
	<b>Total Diagnostic Kits</b>	<b>350,784</b>	<b>4.06</b>
	<b>Drug Delivery Systems: 2.95% (2022: 4.44%)</b>		
2,771	Bruker	203,613	2.36
5,810	Revanche Therapeutics	51,070	0.59
	<b>Total Drug Delivery Systems</b>	<b>254,683</b>	<b>2.95</b>
	<b>Enterprise Software/Serv: 2.29% (2022: 3.36%)</b>		
6,000	Evolent Health	198,180	2.29
	<b>Total Enterprise Software/Serv</b>	<b>198,180</b>	<b>2.29</b>
	<b>Health Care: 10.25% (2022: 0.81%)</b>		
6,000	Amvis	127,891	1.48
4,535	Bicycle Therapeutics	81,993	0.95
8,160	Global Health /India	94,055	1.09
5,709	Indivior	86,242	1.00
257	Karuna Therapeutics	81,343	0.94
3,721	MoonLake Immunotherapeutics	224,711	2.60
56,585	Standard BioTools	125,053	1.45
2,340	Veracyte	64,373	0.74
	<b>Total Health Care</b>	<b>885,661</b>	<b>10.25</b>
	<b>Healthcare Safety Device: Nil (2022: 2.36%)</b>	<b>-</b>	<b>-</b>



## Portfolio Statements continued

As at 31 December 2023

## Healthcare Discovery Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 98.04% (2022: 99.26%)</b> continued		
	<b>Healthcare-Products: 3.95% (2022: Nil)</b>		
450	Masimo	52,745	0.61
3,344	PARAGON 28	41,566	0.48
1,025	Shockwave Medical	195,324	2.26
3,630	Tactile Systems Technology	51,909	0.60
	<b>Total Healthcare-Products</b>	<b>341,544</b>	<b>3.95</b>
	<b>Healthcare-Services: 1.28% (2022: Nil)</b>		
14,135	LifeStance Health Group	110,677	1.28
	<b>Total Healthcare-Services</b>	<b>110,677</b>	<b>1.28</b>
	<b>Medical Imaging Systems: 1.46% (2022: 1.94%)</b>		
2,035	Lantheus	126,170	1.46
	<b>Total Medical Imaging Systems</b>	<b>126,170</b>	<b>1.46</b>
	<b>Medical Information System: 2.62% (2022: 4.03%)</b>		
9,838	Privia Health Group	226,569	2.62
	<b>Total Medical Information System</b>	<b>226,569</b>	<b>2.62</b>
	<b>Medical Instruments: 1.41% (2022: 0.41%)</b>		
69,727	Stereotaxis	122,022	1.41
	<b>Total Medical Instruments</b>	<b>122,022</b>	<b>1.41</b>
	<b>Medical Labs &amp; Testing Services: 3.40% (2022: 3.33%)</b>		
7,373	Evotec	173,317	2.00
1,640	QuidelOrtho	120,868	1.40
	<b>Total Medical Labs &amp; Testing Services</b>	<b>294,185</b>	<b>3.40</b>
	<b>Medical Products: 10.17% (2022: 15.98%)</b>		
3,996	AtriCure	142,617	1.65
2,469	Castle Biosciences	53,281	0.62
26,540	Cerus	57,326	0.66
2,940	Establishment Labs	76,117	0.88
220	Inspire Medical Systems	44,755	0.52
3,147	iRhythm Technologies	336,855	3.90
650	LivaNova	33,631	0.39
443	Penumbra	111,432	1.29
115,316	Renalytix	22,786	0.26
	<b>Total Medical Products</b>	<b>878,800</b>	<b>10.17</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 98.04% (2022: 99.26%)</b> continued			
<b>Medical-Biomedical/Gene: 29.54% (2022: 27.47%)</b>			
3,290	ALK-Abello	49,338	0.57
3,440	Apellis Pharmaceuticals	205,918	2.38
21,503	Arcutis Biotherapeutics	69,455	0.81
3,331	Bavarian Nordic	87,590	1.02
346	Bio-Rad Laboratories	111,720	1.29
6,610	Celldex Therapeutics	262,153	3.03
800	Cerevel Therapeutics	33,920	0.39
117,055	ConvaTec Group	364,399	4.22
2,669	Denali Therapeutics	57,277	0.66
1,505	Guardant Health	40,710	0.47
1,300	Immunocore	88,816	1.03
4,275	Insmed	132,482	1.53
3,745	Intra-Cellular Therapies	268,217	3.11
12,027	R1 RCM	127,125	1.47
5,195	Swedish Orphan Biovitrum	137,635	1.59
18,909	Taysha Gene Therapies	33,469	0.39
25,000	Valneva	130,349	1.51
6,625	Xenon Pharmaceuticals	305,147	3.53
6,872	Y-mAbs Therapeutics	46,867	0.54
<b>Total Medical-Biomedical/Gene</b>		<b>2,552,587</b>	<b>29.54</b>
<b>Medical-Drugs: 9.11% (2022: 12.46%)</b>			
7,650	Avadel Pharmaceuticals ADR	108,018	1.25
589	Concord Biotech	10,418	0.12
1,180	Cytokinetics	98,518	1.14
852	Laboratorios Farmaceuticos Rovi	56,658	0.66
4,365	Supernus Pharmaceuticals	126,323	1.46
7,000	Zealand Pharma	387,117	4.48
<b>Total Medical-Drugs</b>		<b>787,052</b>	<b>9.11</b>
<b>Medical-Hospitals: 5.54% (2022: 7.95%)</b>			
3,303	Acadia Healthcare	256,841	2.97
11,375	Max Healthcare Institute	93,808	1.09
1,697	Tenet Healthcare	128,242	1.48
<b>Total Medical-Hospitals</b>		<b>478,891</b>	<b>5.54</b>
<b>Medical-Nursing Homes: Nil (2022: 0.76%)</b>			
		–	–



## Portfolio Statements continued

As at 31 December 2023

## Healthcare Discovery Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 98.04% (2022: 99.26%)</b> continued		
	Medical-Outpatient/Home Med: 1.13% (2022: 2.04%)		
1,052	Addus HomeCare	97,678	1.13
	<b>Total Medical-Outpatient/Home Med</b>	<b>97,678</b>	<b>1.13</b>
	Medical-Wholesale Drug Distribution: Nil (2022: 3.17%)	–	–
	Pharmaceuticals: 1.22% (2022: Nil)		
35,265	Uniphar – En Dublin	105,180	1.22
	<b>Total Pharmaceuticals</b>	<b>105,180</b>	<b>1.22</b>
	Pharmacy Services: Nil (2022: 1.75%)	–	–
	Semiconductor Equipment: Nil (2022: 0.83%)	–	–
	<b>Total Equities</b>	<b>8,473,231</b>	<b>98.04</b>
	<b>Total Transferable Securities</b>	<b>8,473,231</b>	<b>98.04</b>
		<b>Fair Value US\$</b>	<b>% of Net Assets</b>
	<b>Total Value of Investments (Cost: US\$ 8,731,295)</b>	<b>8,473,231</b>	<b>98.04</b>
	Cash at Bank	270,209	3.13
	Other Net Liabilities	(101,114)	(1.17)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>8,642,326</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.93	97.60
Other assets	4.07	2.40
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01%.



## Healthcare Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Investment Funds: 3.29% (2022: Nil)</b>		
	<b>Ireland: 3.29% (2022: Nil)</b>		
53,898,000	Northern Trust Global Funds – US Dollar Fund	53,898,000	3.29
	<b>Total Ireland</b>	<b>53,898,000</b>	<b>3.29</b>
	<b>Total Investment Funds</b>	<b>53,898,000</b>	<b>3.29</b>
	<b>Equities: 99.67% (2022: 100.42%)</b>		
	<b>Commercial Services: 3.00% (2022: 2.86%)</b>		
1,571,232	Medley	49,038,309	3.00
	<b>Total Commercial Services</b>	<b>49,038,309</b>	<b>3.00</b>
	<b>Diagnostic Equipment: Nil (2022: 1.65%)</b>		
	<b>Diagnostic Kits: Nil (2022: 0.25%)</b>		
	<b>Disposable Medical Product: 2.22% (2022: 2.36%)</b>		
478,342	Merit Medical Systems	36,334,858	2.22
	<b>Total Disposable Medical Product</b>	<b>36,334,858</b>	<b>2.22</b>
	<b>Drug Delivery Systems: 1.49% (2022: 3.46%)</b>		
2,767,139	Revance Therapeutics	24,323,152	1.49
	<b>Total Drug Delivery Systems</b>	<b>24,323,152</b>	<b>1.49</b>
	<b>Health Care: 16.82% (2022: 1.10%)</b>		
2,117,470	Amvis	45,134,043	2.75
546,915	Disc Medicine	31,589,810	1.93
3,265,673	Global Health /India	37,641,258	2.30
1,864,234	Indivior	28,161,830	1.72
8,551,503	Innovent Biologics	46,817,495	2.86
96,152	McKesson	44,516,453	2.72
687,930	MoonLake Immunotherapeutics	41,544,093	2.54
	<b>Total Health Care</b>	<b>275,404,982</b>	<b>16.82</b>
	<b>Medical Instruments: 3.03% (2022: 4.09%)</b>		
858,388	Boston Scientific	49,623,410	3.03
	<b>Total Medical Instruments</b>	<b>49,623,410</b>	<b>3.03</b>
	<b>Medical Products: 2.16% (2022: 9.80%)</b>		
223,579	Establishment Labs	5,788,460	0.35
117,676	Penumbra	29,600,221	1.81
	<b>Total Medical Products</b>	<b>35,388,681</b>	<b>2.16</b>



## Portfolio Statements continued

As at 31 December 2023

## Healthcare Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 99.67% (2022: 100.42%) continued</b>			
<b>Medical-Biomedical/Gene: 25.08% (2022: 21.88%)</b>			
140,511	Argenx	53,316,517	3.26
1,003,109	Celldex Therapeutics	39,783,303	2.43
732,873	Legend Biotech	44,096,968	2.69
72,868	Regeneron Pharmaceuticals	63,999,236	3.91
5,977,936	Swedish Orphan Biovitrum	158,377,919	9.68
1,106,680	Xenon Pharmaceuticals	50,973,681	3.11
<b>Total Medical-Biomedical/Gene</b>		<b>410,547,624</b>	<b>25.08</b>
<b>Medical-Drugs: 28.10% (2022: 28.37%)</b>			
4,535,379	Astellas Pharma	54,239,246	3.31
4,002,216	Avadel Pharmaceuticals ADR	56,511,290	3.45
361,777	Concord Biotech	6,398,743	0.39
962,876	Cytokinetics	80,892,069	4.94
234,744	HCA Healthcare	63,540,506	3.88
1,369,421	Hikma Pharmaceuticals	31,231,254	1.91
24,321,504	Redx Pharma	6,821,112	0.42
2,900,770	Zealand Pharma	160,419,564	9.80
<b>Total Medical-Drugs</b>		<b>460,053,784</b>	<b>28.10</b>
<b>Medical-HMO: 3.09% (2022: 5.46%)</b>			
149,751	Intuitive Surgical	50,519,998	3.09
<b>Total Medical-HMO</b>		<b>50,519,998</b>	<b>3.09</b>
<b>Medical-Hospitals: 6.56% (2022: 8.87%)</b>			
630,718	Acadia Healthcare	49,044,632	3.00
7,075,753	Max Healthcare Institute	58,352,562	3.56
<b>Total Medical-Hospitals</b>		<b>107,397,194</b>	<b>6.56</b>
<b>Medical-Outpatient/Home Med: 1.71% (2022: 1.99%)</b>			
301,512	Addus HomeCare	27,995,389	1.71
<b>Total Medical-Outpatient/Home Med</b>		<b>27,995,389</b>	<b>1.71</b>



Holdings	Financial assets at fair value through profit or loss			Fair Value US\$	% of Net Assets	
<b>Equities: 99.67% (2022: 100.42%) continued</b>						
<b>Medical-Wholesale Drug Distribution: 3.31% (2022: 5.23%)</b>						
1,019,415	Glenmark Life Sciences			8,049,230	0.49	
15,464,374	Uniphar – En Dublin			46,123,347	2.82	
<b>Total Medical-Wholesale Drug Distribution</b>				<b>54,172,577</b>	<b>3.31</b>	
<b>Pharmacy Services: Nil (2022: 3.05%)</b>						
<b>Therapeutics: 3.10% (2022: Nil)</b>						
384,833	Neurocrine Biosciences			50,705,596	3.10	
<b>Total Therapeutics</b>				<b>50,705,596</b>	<b>3.10</b>	
<b>Total Equities</b>				<b>1,631,505,554</b>	<b>99.67</b>	
<b>Total Transferable Securities</b>				<b>1,685,403,554</b>	<b>102.96</b>	
<b>Open Forward Currency Contracts: Nil (2022: Nil)</b>						
	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
	USD 4,816,532	EUR 4,382,897	1.0989	31/01/2024	30,069	–
	USD 803,705	GBP 635,184	1.2653	02/01/2024	6,027	–
	USD 287,604	EUR 261,563	1.0996	02/01/2024	1,332	–
	USD 457,358	GBP 359,379	1.2726	03/01/2024	778	–
	USD 158,221	EUR 143,895	1.0996	02/01/2024	733	–
	USD 24,966	GBP 19,731	1.2653	02/01/2024	187	–
	USD 101,605	GBP 79,838	1.2726	03/01/2024	173	–
	USD 22,724	EUR 20,667	1.0996	02/01/2024	105	–
	USD 43,319	EUR 39,295	1.1024	03/01/2024	88	–
	USD 9,783	GBP 7,691	1.2719	02/01/2024	22	–
	USD 4,549	EUR 4,126	1.1024	03/01/2024	9	–
	USD 2,774	EUR 2,517	1.1019	02/01/2024	7	–
	USD 1,555	EUR 1,411	1.1019	02/01/2024	4	–
	USD 1,160	EUR 1,052	1.1024	03/01/2024	2	–
	USD 304	GBP 239	1.2720	02/01/2024	1	–
	USD 218	EUR 198	1.1019	02/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>					<b>39,537</b>	<b>–</b>
<b>Total Financial Assets at fair value through profit or loss</b>				<b>1,685,443,091</b>	<b>102.96</b>	



## Healthcare Opportunities Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 57,035	USD 72,581	1.2726	02/01/2024	(127)	–
EUR 4,735	USD 5,219	1.1023	02/01/2024	(11)	–
EUR 1,893	USD 2,086	1.1023	02/01/2024	(5)	–
EUR 650	USD 716	1.1023	02/01/2024	(2)	–
EUR 104	USD 114	1.1023	02/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(145)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(145)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 1,357,332,298)</b>	1,685,442,946	102.96
Cash at Bank	14,973,968	0.91
Other Net Liabilities	(63,490,406)	(3.87)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	1,636,926,508	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.82	97.34
Other assets	1.18	2.66
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01%.



## Japan Value Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>Equities: 99.47% (2022: 98.96%)</b>		
	<b>Basic Materials: 4.21% (2022: 7.24%)</b>		
440,000	Nihon Parkerizing	500,720,000	1.40
135,000	SK Kaken	1,007,100,000	2.81
	<b>Total Basic Materials</b>	<b>1,507,820,000</b>	<b>4.21</b>
	<b>Communications: 6.53% (2022: 4.56%)</b>		
150,100	Akatsuki	380,053,200	1.06
300,000	Amuse	445,200,000	1.24
665,600	Bleach	306,841,600	0.86
150,000	Square Enix	759,450,000	2.12
280,000	TV Asahi	449,960,000	1.25
	<b>Total Communications</b>	<b>2,341,504,800</b>	<b>6.53</b>
	<b>Consumer Discretionary: 5.21% (2022: 5.94%)</b>		
190,000	Globeride	381,330,000	1.07
724,300	Ichikoh Industries	366,495,800	1.02
275,000	Tokai Corp (Gifu)	574,750,000	1.60
230,000	Toyo Tire	542,800,000	1.52
	<b>Total Consumer Discretionary</b>	<b>1,865,375,800</b>	<b>5.21</b>
	<b>Consumer Staples: 4.44% (2022: Nil)</b>		
95,000	Kato Sangyo	436,525,000	1.22
570,000	Ushio	1,154,535,000	3.22
	<b>Total Consumer Staples</b>	<b>1,591,060,000</b>	<b>4.44</b>
	<b>Consumer, Cyclical: 10.82% (2022: 10.48%)</b>		
450,000	Honda Motor	659,700,000	1.84
235,000	Suzuki Motor	1,417,755,000	3.96
280,000	Topre	525,840,000	1.47
75,000	Toyota Industries	862,500,000	2.41
240,000	TS Tech	409,440,000	1.14
	<b>Total Consumer, Cyclical</b>	<b>3,875,235,000</b>	<b>10.82</b>
	<b>Consumer, Non-cyclical: 8.92% (2022: 15.14%)</b>		
155,000	Aeon Delight	551,800,000	1.54
400,000	Medikit	1,160,400,000	3.24
105,000	San-A	478,275,000	1.33
555,000	Tanseisha	484,515,000	1.35
500,000	Vital KSK Holdings	522,000,000	1.46
	<b>Total Consumer, Non-cyclical</b>	<b>3,196,990,000</b>	<b>8.92</b>



## Portfolio Statements continued

As at 31 December 2023

## Japan Value Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>Equities: 99.47% (2022: 98.96%)</b> continued		
	<b>Financial: 16.62% (2022: 19.72%)</b>		
775,000	Concordia Financial	499,565,000	1.40
320,000	Dai-ichi Life Holdings	957,440,000	2.67
440,000	Kyoto Financial Group	966,460,000	2.70
1,140,000	Mitsubishi UFJ Lease & Finance	1,381,110,000	3.85
210,000	Sumitomo Mitsui Financial	1,444,800,000	4.03
200,000	Tokio Marine	705,800,000	1.97
	<b>Total Financial</b>	<b>5,955,175,000</b>	<b>16.62</b>
	<b>Health Care: 5.03% (2022: 1.75%)</b>		
512,100	Japan Eyewear Holdings	633,979,800	1.77
325,000	Medipal	742,787,500	2.07
120,000	Torii Pharmaceutical	426,600,000	1.19
	<b>Total Health Care</b>	<b>1,803,367,300</b>	<b>5.03</b>
	<b>Industrial: 22.63% (2022: 23.90%)</b>		
501,300	Aida Engineering	413,572,500	1.15
420,000	Anest Iwata	465,780,000	1.30
148,400	Cosel	204,050,000	0.57
800,000	Daiwa Industries	1,208,000,000	3.37
200,000	Iriso Electronics	740,000,000	2.07
240,000	JSP	439,680,000	1.23
320,000	M&A Capital Partners	778,240,000	2.17
317,800	METAWATER	695,028,600	1.94
210,000	NICHIAS	711,900,000	1.99
400,000	Nikon	558,400,000	1.56
200,000	Nitto Kohki	373,400,000	1.04
140,000	Nohmi Bosai	308,280,000	0.86
180,000	Oyo	369,360,000	1.03
190,000	Pasco	335,160,000	0.94
500,000	Skymark Airlines Inc	507,000,000	1.41
	<b>Total Industrial</b>	<b>8,107,851,100</b>	<b>22.63</b>
	<b>Materials: 1.17% (2022: Nil)</b>		
152,300	Lintec	418,825,000	1.17
	<b>Total Materials</b>	<b>418,825,000</b>	<b>1.17</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets			
	<b>Equities: 99.47% (2022: 98.96%)</b> continued					
	<b>Technology: 12.46% (2022: 10.23%)</b>					
175,000	Alpha Systems	530,250,000	1.48			
460,000	Casio Computer	562,810,000	1.57			
940,700	Forum Engineering	783,603,100	2.19			
300,000	Ines	483,600,000	1.35			
250,000	Jastec	357,000,000	1.00			
75,000	Mitsubishi Research Institute	347,250,000	0.97			
255,000	Sato	539,580,000	1.50			
280,000	Shin-Etsu Polymer	469,560,000	1.31			
110,000	SRA Holdings	392,150,000	1.09			
	<b>Total Technology</b>	<b>4,465,803,100</b>	<b>12.46</b>			
	<b>Technology Hardware &amp; Equipment: 1.43% (2022: Nil)</b>					
190,000	Rohm	513,475,000	1.43			
	<b>Total Technology Hardware &amp; Equipment</b>	<b>513,475,000</b>	<b>1.43</b>			
	<b>Total Equities</b>	<b>35,642,482,100</b>	<b>99.47</b>			
	<b>Total Transferable Securities</b>	<b>35,642,482,100</b>	<b>99.47</b>			
	<b>Open Forward Currency Contracts: 0.02% (2022: Nil)</b>					
	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain JPY¥	% of Net Assets
	JPY 316,602,581	CHF 1,903,916	166.2902	31/01/2024	3,171,844	0.01
	JPY 262,423,828	CHF 1,578,107	166.2902	31/01/2024	2,629,061	0.01
	JPY 69,249,690	USD 492,579	140.5861	31/01/2024	133,378	–
	EUR 920,924	JPY 143,776,220	156.1217	31/01/2024	122,017	–
	JPY 22,102,651	USD 156,914	140.8583	05/01/2024	93,065	–
	USD 67,826	JPY 9,605,542	141.6200	31/01/2024	51,760	–
	JPY 3,736,672	CHF 22,471	166.2903	31/01/2024	37,435	–
	GBP 12,349	JPY 2,221,398	179.8824	31/01/2024	4,935	–
	EUR 54,134	JPY 8,448,826	156.0739	31/01/2024	4,584	–
	GBP 23,028	JPY 4,136,847	179.6434	31/01/2024	3,699	–
	GBP 5,502	JPY 989,739	179.9035	31/01/2024	2,315	–
	USD 117	JPY 16,749	142.7756	31/01/2024	225	–
	JPY 12,531	CHF 76	165.7540	31/01/2024	166	–
	EUR 1,552	JPY 242,231	156.0737	31/01/2024	131	–
	USD 195	JPY 27,556	141.3636	31/01/2024	99	–
	GBP 466	JPY 83,717	179.6425	31/01/2024	74	–
	GBP 1	JPY 233	180.6202	31/01/2024	1	–
	<b>Total unrealised gain on forward foreign currency contracts</b>				<b>6,254,789</b>	<b>0.02</b>
	<b>Total Financial Assets at fair value through profit or loss</b>				<b>35,648,736,889</b>	<b>99.49</b>



## Portfolio Statements continued

As at 31 December 2023

## Japan Value Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.30%) (2022: (0.22%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss JPY¥	% of Net Assets
JPY 3,381,981,075	USD 23,687,654	142.7740	31/01/2024	(45,412,155)	(0.13)
JPY 2,446,517,104	USD 17,135,593	142.7740	31/01/2024	(32,851,046)	(0.09)
JPY 2,244,592,060	GBP 12,410,705	180.8593	31/01/2024	(17,084,924)	(0.05)
JPY 1,062,379,805	EUR 6,778,685	156.7236	31/01/2024	(4,978,167)	(0.01)
JPY 405,654,136	GBP 2,242,926	180.8593	31/01/2024	(3,087,675)	(0.01)
JPY 467,728,535	EUR 2,984,417	156.7236	31/01/2024	(2,191,712)	(0.01)
JPY 100,152,833	USD 701,478	142.7740	31/01/2024	(1,344,820)	–
CHF 44,564	JPY 7,386,423	165.7505	31/01/2024	(98,293)	–
JPY 9,646,916	USD 67,826	142.2300	04/01/2024	(51,258)	–
JPY 5,185,294	GBP 28,670	180.8594	31/01/2024	(39,469)	–
JPY 3,778,434	GBP 21,000	179.9254	31/01/2024	(9,297)	–
JPY 10,407,099	GBP 57,705	180.3492	04/01/2024	(6,294)	–
JPY 4,940,489	GBP 27,382	180.4290	05/01/2024	(5,943)	–
JPY 8,475,893	EUR 54,134	156.5739	04/01/2024	(4,494)	–
JPY 4,154,095	GBP 23,028	180.3924	05/01/2024	(4,154)	–
JPY 993,865	GBP 5,502	180.6535	04/01/2024	(2,274)	–
JPY 1,512,196	GBP 8,385	180.3503	09/01/2024	(2,104)	–
JPY 150,752	USD 1,056	142.7738	31/01/2024	(2,024)	–
JPY 572,057	GBP 3,179	179.9255	31/01/2024	(1,408)	–
JPY 952,979	GBP 5,282	180.4290	05/01/2024	(1,146)	–
JPY 211,616	EUR 1,350	156.7236	31/01/2024	(992)	–
JPY 165,165	EUR 1,054	156.7239	31/01/2024	(774)	–
JPY 638,237	GBP 3,540	180.2965	09/01/2024	(698)	–
JPY 531,515	EUR 3,396	156.5282	09/01/2024	(443)	–
JPY 230,904	EUR 1,479	156.1217	31/01/2024	(196)	–
JPY 64,730	GBP 360	179.8905	31/01/2024	(147)	–
JPY 243,007	EUR 1,552	156.5736	04/01/2024	(128)	–
JPY 35,390	GBP 197	179.6447	31/01/2024	(32)	–
EUR 156	JPY 24,375	155.9002	31/01/2024	(14)	–
JPY 3,232	GBP 18	179.8553	31/01/2024	(7)	–
EUR 4	JPY 698	155.8036	31/01/2024	(1)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(107,182,089)	(0.30)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(107,182,089)	(0.30)



	Fair Value JPY¥	% of Net Assets
<b>Total Value of Investments (Cost: JPY¥ 30,998,400,843)</b>	35,541,554,800	99.19
Bank Overdraft	(64,072,418)	(0.18)
Other Net Assets	352,712,588	0.99
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>35,830,194,970</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

<b>Analysis of total assets</b>	<b>31 December 2023 % of Total Assets</b>	<b>31 December 2022 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	98.64	98.12
OTC Financial derivative instruments	0.02	–
Other assets	1.34	1.88
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Portfolio Statements continued

As at 31 December 2023

## North American Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Investment Funds: 0.56% (2022: 3.83%)</b>		
	<b>Ireland: 0.56% (2022: 3.83%)</b>		
4,359,000	Northern Trust Global Funds – US Dollar Fund	4,359,000	0.56
	<b>Total Ireland</b>	<b>4,359,000</b>	<b>0.56</b>
	<b>Total Investment Funds</b>	<b>4,359,000</b>	<b>0.56</b>
	<b>Equities: 99.40% (2022: 94.34%)</b>		
	<b>Communications: 16.95% (2022: 14.45%)</b>		
282,502	Alphabet	39,813,007	5.14
229,903	Amazon.com	34,931,462	4.51
5,290	Booking	18,764,794	2.42
200,476	Liberty Media	12,656,050	1.63
86,821	T-Mobile US	13,920,011	1.79
183,599	Uber	11,304,190	1.46
	<b>Total Communications</b>	<b>131,389,514</b>	<b>16.95</b>
	<b>Consumer Discretionary: Nil (2022: 1.50%)</b>	<b>–</b>	<b>–</b>
	<b>Consumer, Cyclical: 8.37% (2022: 1.90%)</b>		
476,136	Cannae	9,289,414	1.20
330,586	Core & Main	13,358,980	1.72
109,658	Ferguson	21,171,670	2.73
97,193	Hyatt Hotels	12,674,939	1.64
37,069	Marriott International	8,359,430	1.08
	<b>Total Consumer, Cyclical</b>	<b>64,854,433</b>	<b>8.37</b>
	<b>Consumer, Non-Cyclical: 20.39% (2022: 21.37%)</b>		
290,453	Centene	21,554,517	2.78
46,344	Elevance Health	21,853,977	2.82
503,439	Envista	12,112,742	1.56
50,516	ICON	14,299,564	1.84
911,725	Sabre	4,011,590	0.52
40,761	United Rentals	23,373,173	3.02
521,503	US Foods	23,681,451	3.05
142,771	Visa	37,170,430	4.80
	<b>Total Consumer, Non-Cyclical</b>	<b>158,057,444</b>	<b>20.39</b>
	<b>Energy: 4.67% (2022: 8.27%)</b>		
141,386	Canadian Natural Resources	9,308,144	1.20
917,518	Cenovus Energy	15,363,869	1.98
201,063	Imperial Oil	11,509,355	1.49
	<b>Total Energy</b>	<b>36,181,368</b>	<b>4.67</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 99.40% (2022: 94.34%)</b> continued		
	<b>Financial: 12.23% (2022: 16.38%)</b>		
66,981	Affiliated Managers	10,142,263	1.31
22,433	Fairfax Financial	20,798,246	2.68
237,284	Interactive Brokers	19,670,843	2.54
160,016	Intercontinental Exchange	20,550,855	2.65
77,526	RenaissanceRe	15,195,096	1.96
44,465	Travelers Companies	8,470,138	1.09
	<b>Total Financial</b>	<b>94,827,441</b>	<b>12.23</b>
	<b>Health Care: 3.31% (2022: Nil)</b>		
55,486	McKesson	25,688,908	3.31
	<b>Total Health Care</b>	<b>25,688,908</b>	<b>3.31</b>
	<b>Industrial: 8.70% (2022: 7.65%)</b>		
354,528	CRH	24,519,156	3.16
47,462	Littelfuse	12,698,933	1.64
44,105	Norfolk Southern	10,425,540	1.35
80,538	Union Pacific	19,781,744	2.55
	<b>Total Industrial</b>	<b>67,425,373</b>	<b>8.70</b>
	<b>Materials: 1.58% (2022: 1.58%)</b>		
289,509	Teck Resources	12,237,545	1.58
	<b>Total Materials</b>	<b>12,237,545</b>	<b>1.58</b>
	<b>Technology: 23.20% (2022: 21.24%)</b>		
247,575	Amdocs	21,759,367	2.81
99,530	Analog Devices	19,762,677	2.55
12,441	Constellation Software	30,996,545	4.00
193,808	Fidelity National Information Services	11,642,047	1.50
132,876	Fiserv	17,651,248	2.28
83,284	Microsoft	31,318,115	4.04
149,407	MKS Instruments	15,369,498	1.98
113,640	Qualcomm	16,435,753	2.12
243,330	SS&C Technologies	14,869,896	1.92
	<b>Total Technology</b>	<b>179,805,146</b>	<b>23.20</b>
	<b>Total Equities</b>	<b>770,467,172</b>	<b>99.40</b>
	<b>Warrants: Nil (2022: Nil)</b>		
14,161	Constellation Software	–	–
	<b>Total Warrants</b>	<b>–</b>	<b>–</b>
	<b>Total Transferable Securities</b>	<b>774,826,172</b>	<b>99.96</b>



## North American Fund continued

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.07% (2022: 0.02%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 51,504,033	EUR 46,867,096	1.0989	31/01/2024	321,529	0.04
USD 20,008,500	GBP 15,790,895	1.2671	31/01/2024	124,663	0.02
USD 12,937,402	GBP 10,210,318	1.2671	31/01/2024	80,606	0.01
USD 451,320	CHF 387,261	1.1654	31/01/2024	10,035	–
USD 1,556,083	GBP 1,228,075	1.2671	31/01/2024	9,695	–
USD 864,187	EUR 786,384	1.0989	31/01/2024	5,395	–
USD 716,624	GBP 565,458	1.2673	31/01/2024	4,327	–
USD 690,893	EUR 628,691	1.0989	31/01/2024	4,313	–
EUR 52,672	USD 58,560	1.1118	31/01/2024	316	–
USD 119,374	GBP 93,800	1.2726	03/01/2024	203	–
USD 9,720	EUR 8,831	1.1007	31/01/2024	45	–
GBP 12,911	USD 16,491	1.2772	31/01/2024	29	–
USD 15,191	GBP 11,937	1.2726	03/01/2024	26	–
USD 1,088	GBP 860	1.2656	02/01/2024	8	–
USD 868	GBP 686	1.2653	02/01/2024	7	–
USD 696	GBP 550	1.2653	02/01/2024	5	–
USD 1,799	GBP 1,414	1.2719	31/01/2024	4	–
USD 359	GBP 284	1.2671	31/01/2024	2	–
USD 149	EUR 136	1.1005	31/01/2024	1	–
USD 10	GBP 8	1.2719	02/01/2024	–	–
GBP 124	USD 158	1.2772	31/01/2024	–	–
USD 133	EUR 121	1.1030	31/01/2024	–	–
USD –	GBP –	1.2857	02/01/2024	–	–
USD 63	GBP 50	1.2671	31/01/2024	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				561,209	0.07
<b>Total Financial Assets at fair value through profit or loss</b>				775,387,381	100.03



## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: (0.07%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 20,931	USD 26,521	1.2671	31/01/2024	(165)	–
GBP 14,690	USD 18,694	1.2726	02/01/2024	(33)	–
GBP 860	USD 1,088	1.2658	31/01/2024	(8)	–
GBP 1,414	USD 1,798	1.2717	02/01/2024	(4)	–
USD 307	GBP 240	1.2772	31/01/2024	(1)	–
GBP 60	USD 76	1.2743	31/01/2024	–	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(211)	0.00
<b>Total Financial Liabilities at fair value through profit or loss</b>				(211)	0.00

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 635,651,264)</b>	775,387,170	100.03
Cash at Bank	8,090,466	1.04
Other Net Liabilities	(8,359,316)	(1.07)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	775,118,320	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.77	97.74
OTC Financial derivative instruments	0.07	0.01
Other assets	1.16	2.25
	100.00	100.00

The % of Net Assets has been rounded to Nil if the amount is less than 0.01%.



## Portfolio Statements continued

As at 31 December 2023

## Smart Energy Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 99.14% (2022: 99.99%)</b>			
<b>Basic Materials: 6.21% (2022: 5.93%)</b>			
25,200	Air Liquide	4,902,684	1.66
1,020,000	Lynas Rare Earths	4,983,339	1.68
429,000	MP Materials	8,515,650	2.87
	<b>Total Basic Materials</b>	<b>18,401,673</b>	<b>6.21</b>
<b>Communications: 1.56% (2022: Nil)</b>			
12,600	Samsung SDI	4,617,750	1.56
	<b>Total Communications</b>	<b>4,617,750</b>	<b>1.56</b>
<b>Consumer Discretionary: 1.03% (2022: 1.64%)</b>			
9,200	LG Energy Solution	3,053,808	1.03
	<b>Total Consumer Discretionary</b>	<b>3,053,808</b>	<b>1.03</b>
<b>Consumer, Cyclical: 1.21% (2022: 1.64%)</b>			
396,000	NIO ADR	3,591,720	1.21
	<b>Total Consumer, Cyclical</b>	<b>3,591,720</b>	<b>1.21</b>
<b>Energy: 4.02% (2022: 18.77%)</b>			
124,980	Contemporary Amperex Technology Co Ltd	2,865,522	0.97
50,700	EnerSys	5,118,672	1.73
2,092,904	ITM Power	1,584,812	0.54
110,000	Nordex	1,263,720	0.42
52,000	ThyssenKrupp	1,059,801	0.36
	<b>Total Energy</b>	<b>11,892,527</b>	<b>4.02</b>
<b>Industrial: 21.37% (2022: 25.56%)</b>			
176,000	ABB	7,799,917	2.63
269,000	Azbil	8,903,064	3.01
42,000	Carrier Global	2,412,900	0.81
109,000	Cognex	4,549,660	1.54
443,000	Delta Electronics	4,525,195	1.53
15,850	Keyence	6,983,984	2.36
19,050	Lennox International	8,525,256	2.88
56,000	Nexans	4,902,437	1.65
22,000	Schneider Electric	4,417,672	1.49
214,000	Vertiv Holdings	10,278,420	3.47
	<b>Total Industrial</b>	<b>63,298,505</b>	<b>21.37</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 99.14% (2022: 99.99%)</b> continued		
	<b>Materials: 9.50% (2022: 6.32%)</b>		
23,000	Air Products and Chemicals	6,297,400	2.12
28,000	Albemarle	4,045,440	1.36
32,900	Linde	13,512,359	4.56
240,000	Livent	4,315,200	1.46
	<b>Total Materials</b>	<b>28,170,399</b>	<b>9.50</b>
	<b>Technology: 47.05% (2022: 33.94%)</b>		
34,000	AIXTRON	1,451,996	0.49
39,500	Analog Devices	7,843,120	2.65
18,550	Ansys Inc	6,731,424	2.27
39,000	Autodesk	9,495,720	3.20
90,000	Infineon Technologies	3,758,019	1.27
166,000	Lattice Semiconductor	11,452,340	3.86
311,200	Marvell Technology	18,768,472	6.33
1,300	Monolithic Power Systems	820,014	0.28
34,000	Nidec	1,373,457	0.46
28,200	NXP Semiconductors	6,476,976	2.18
194,000	ON Semiconductor	16,204,820	5.47
10,500	Power Integrations	862,155	0.29
62,000	Qorvo	6,981,820	2.36
710,000	Renesas Electronics	12,837,211	4.33
593,000	Silergy	9,660,970	3.26
146,000	STMicroelectronics	7,297,064	2.46
401,400	Wolfspeed	17,464,914	5.89
	<b>Total Technology</b>	<b>139,480,492</b>	<b>47.05</b>
	<b>Utilities: 7.19% (2022: 6.19%)</b>		
400,000	Boralex	10,216,897	3.45
368,000	Hydro One	11,079,630	3.74
	<b>Total Utilities</b>	<b>21,296,527</b>	<b>7.19</b>
	<b>Total Equities</b>	<b>293,803,401</b>	<b>99.14</b>
	<b>Total Transferable Securities</b>	<b>293,803,401</b>	<b>99.14</b>



## Portfolio Statements continued

As at 31 December 2023

## Smart Energy Fund continued

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 155,969	EUR 141,498	1.1023	02/01/2024	337	–
USD 7,774	GBP 6,109	1.2726	02/01/2024	13	–
<b>Total unrealised gain on forward foreign currency contracts</b>				350	–
<b>Total Financial Assets at fair value through profit or loss</b>				293,803,751	99.14

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2022: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
USD 24,479	SEK 245,027	0.0999	02/01/2024	(165)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(165)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(165)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 267,997,114)</b>	293,803,586	99.14
Cash at Bank	2,006,704	0.68
Other Net Assets	531,024	0.18
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	296,341,314	100.00

All securities are transferable and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.32	98.29
Other assets	2.68	1.71
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01%.



## Smart Mobility Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 99.06% (2022: 99.81%)</b>			
<b>Automobiles &amp; Parts: 9.69% (2022: 8.87%)</b>			
4,000	Aptiv	358,880	3.56
1,700	Hyundai Mobis	312,835	3.10
10,000	Mando	305,536	3.03
<b>Total Automobiles &amp; Parts</b>		<b>977,251</b>	<b>9.69</b>
<b>Basic Materials: 2.12% (2022: 2.31%)</b>			
1,100	Air Liquide	214,006	2.12
<b>Total Basic Materials</b>		<b>214,006</b>	<b>2.12</b>
<b>Communications: 4.51% (2022: 4.05%)</b>			
400	Samsung SDI	146,595	1.46
5,000	Uber	307,850	3.05
<b>Total Communications</b>		<b>454,445</b>	<b>4.51</b>
<b>Consumer Discretionary: 10.13% (2022: 8.33%)</b>			
8,000	BorgWarner	286,800	2.85
1,300	Lear Corporation	183,573	1.82
500	LG Energy Solution	165,968	1.65
2,000	Linamar	97,103	0.96
2,300	Visteon	287,270	2.85
<b>Total Consumer Discretionary</b>		<b>1,020,714</b>	<b>10.13</b>
<b>Consumer, Cyclical: 1.26% (2022: 1.66%)</b>			
14,000	NIO ADR	126,980	1.26
<b>Total Consumer, Cyclical</b>		<b>126,980</b>	<b>1.26</b>
<b>Electronic &amp; Electrical Equipment: 1.67% (2022: 0.67%)</b>			
1,200	TE Connectivity	168,600	1.67
<b>Total Electronic &amp; Electrical Equipment</b>		<b>168,600</b>	<b>1.67</b>
<b>Energy: 3.14% (2022: 6.72%)</b>			
6,660	Contemporary Amperex Technology Co Ltd	152,700	1.51
136,430	ITM Power	103,309	1.02
3,000	ThyssenKrupp	61,142	0.61
<b>Total Energy</b>		<b>317,151</b>	<b>3.14</b>
<b>Industrial: 9.88% (2022: 17.12%)</b>			
7,500	ABB	332,383	3.30
19,000	Chroma ATE	131,865	1.31
900	Schneider Electric	180,723	1.79
6,600	Trimble	351,120	3.48
<b>Total Industrial</b>		<b>996,091</b>	<b>9.88</b>

**Smart Mobility Fund** continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 99.06% (2022: 99.81%)</b> continued			
<b>Leisure Goods: 0.49% (2022: 0.81%)</b>			
5,000	Panasonic	49,528	0.49
<b>Total Leisure Goods</b>		49,528	0.49
<b>Materials: 14.55% (2022: 13.01%)</b>			
900	Air Products and Chemicals	246,420	2.44
800	Albemarle	115,584	1.15
800	Linde	328,568	3.26
10,000	Livent	179,800	1.78
55,000	Lynas Rare Earths	268,710	2.67
16,500	MP Materials	327,525	3.25
<b>Total Materials</b>		1,466,607	14.55
<b>Technology: 41.62% (2022: 36.26%)</b>			
1,400	Analog Devices	277,984	2.76
900	Ansys Inc	326,592	3.24
7,000	Dassault Systemes	342,049	3.40
25,000	Delta Electronics	255,372	2.53
4,100	Infineon Technologies	171,199	1.70
50	Monolithic Power Systems	31,539	0.31
1,400	Nidec	56,554	0.56
2,100	NXP Semiconductors	482,328	4.79
5,100	ON Semiconductor	426,003	4.23
24,000	Renesas Electronics	433,934	4.31
8,000	Sinbon Electronics	77,940	0.77
5,900	STMicroelectronics	294,881	2.93
4,900	u-blox	581,607	5.77
10,000	Wolfspeed	435,100	4.32
<b>Total Technology</b>		4,193,082	41.62
<b>Total Equities</b>		9,984,455	99.06
<b>Total Transferable Securities</b>		9,984,455	99.06



	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 9,272,078)</b>	9,984,455	99.06
Cash at Bank	59,864	0.59
Other Net Assets	35,235	0.35
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	10,079,554	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

Analysis of total assets	31 December 2023 % of Total Assets	31 December 2022 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.40	99.43
Other assets	2.60	0.57
	100.00	100.00

## UK Value Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Equities: 97.82% (2022: 95.21%)</b>			
<b>Basic Materials: 11.72% (2022: 9.11%)</b>			
726,333	Anglo American	14,426,426	1.86
4,147,065	Atalaya Mining	15,178,258	1.96
8,107,683	Central Asia Metals	14,820,845	1.91
754,207	Mondi	11,652,498	1.50
275,998	Rio Tinto	16,154,163	2.08
35,014,587	SigmaRoc	18,697,789	2.41
	<b>Total Basic Materials</b>	<b>90,929,979</b>	<b>11.72</b>
<b>Communications: 2.68% (2022: 5.75%)</b>			
1,844,723	Gamma Communications	20,771,581	2.68
	<b>Total Communications</b>	<b>20,771,581</b>	<b>2.68</b>
<b>Consumer Discretionary: 5.07% (2022: 7.95%)</b>			
123,252	Berkeley GP Hldgs	5,818,727	0.75
8,181,997	JD Sports Fashion	13,655,753	1.76
67,529	Next	5,503,614	0.71
2,340,959	Redrow	14,361,783	1.85
	<b>Total Consumer Discretionary</b>	<b>39,339,877</b>	<b>5.07</b>
<b>Consumer, Cyclical: 13.73% (2022: 13.28%)</b>			
1,121,239	B&M European Value Retail	6,307,641	0.81
617,215	Bellway	15,825,380	2.04
1,758,262	Dunelm	19,358,465	2.49
1,188,923	Grafton	10,903,613	1.40
2,359,621	Inchcape	16,930,281	2.18
6,200,091	J Sainsbury	18,615,773	2.40
11,394,853	Rank	8,732,104	1.13
3,183,555	Wincanton	9,896,876	1.28
	<b>Total Consumer, Cyclical</b>	<b>106,570,133</b>	<b>13.73</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Equities: 97.82% (2022: 95.21%)</b> continued			
<b>Consumer, Non-cyclical: 16.42% (2022: 16.19%)</b>			
2,939,262	A.G. Barr	15,107,577	1.95
361,105	Cranswick	13,808,655	1.78
811,080	Hikma Pharmaceuticals	14,396,670	1.85
7,744,963	Marks & Spencer	21,051,576	2.71
16,203,828	Premier Foods	22,037,206	2.84
4,108,410	PZ Cussons	6,269,434	0.81
4,786,139	QinetiQ	14,789,170	1.91
18,109,813	Speedy Hire	6,003,403	0.77
3,336,899	SThree	13,948,238	1.80
<b>Total Consumer, Non-cyclical</b>		<b>127,411,929</b>	<b>16.42</b>
<b>Energy: 4.63% (2022: 4.81%)</b>			
755,341	BP	3,516,853	0.45
918,235	Harbour Energy	2,849,284	0.37
6,549,704	Serica Energy	15,064,319	1.94
565,704	Shell	14,501,822	1.87
<b>Total Energy</b>		<b>35,932,278</b>	<b>4.63</b>
<b>Financial: 21.42% (2022: 16.94%)</b>			
836,907	3i	20,236,411	2.61
2,911,505	Barclays	4,456,644	0.57
3,049,556	Beazley	15,918,682	2.05
3,401,002	Conduit	15,916,689	2.05
1,985,618	Hargreaves Lansdown	14,471,184	1.87
2,997,290	Henry Boot	6,294,309	0.81
1,363,549	Hiscox	14,412,713	1.86
620,254	HSBC	3,934,891	0.51
710,456	IG Group Hldgs	5,459,854	0.71
28,703,896	Lloyds Banking Group	13,670,230	1.76
5,753,452	Man Group plc	13,411,297	1.73
912,850	Rathbone Brothers	15,920,104	2.05
2,126,701	Standard Chartered	14,048,987	1.81
13,504,154	Watkin Jones	7,980,942	1.03
<b>Total Financial</b>		<b>166,132,937</b>	<b>21.42</b>



## Portfolio Statements continued

As at 31 December 2023

## UK Value Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Equities: 97.82% (2022: 95.21%)</b> continued		
	<b>Health Care: 2.82% (2022: 2.71%)</b>		
1,500,862	GSK	21,900,578	2.82
	<b>Total Health Care</b>	<b>21,900,578</b>	<b>2.82</b>
	<b>Industrial: 12.58% (2022: 14.99%)</b>		
408,448	BAE Systems	4,537,000	0.58
10,129,664	Kier	10,899,518	1.40
5,932,149	Morgan Advanced Materials	16,728,660	2.16
861,928	Morgan Sindall	19,005,512	2.45
2,297,310	Renew	19,710,920	2.54
2,974,251	Vesuvius	14,288,302	1.84
562,394	Wizz Air	12,473,899	1.61
	<b>Total Industrial</b>	<b>97,643,811</b>	<b>12.58</b>
	<b>Materials: 3.53% (2022: 1.68%)</b>		
4,006,609	Breedon Group	14,503,924	1.87
4,515,627	Marshalls	12,860,506	1.66
	<b>Total Materials</b>	<b>27,364,430</b>	<b>3.53</b>
	<b>Real Estate: 1.76% (2022: Nil)</b>		
3,410,594	British Land	13,638,966	1.76
	<b>Total Real Estate</b>	<b>13,638,966</b>	<b>1.76</b>
	<b>Technology: 1.46% (2022: 1.80%)</b>		
408,656	Computacenter	11,376,983	1.46
	<b>Total Technology</b>	<b>11,376,983</b>	<b>1.46</b>
	<b>Total Equities</b>	<b>759,013,482</b>	<b>97.82</b>
	<b>Total Transferable Securities</b>	<b>759,013,482</b>	<b>97.82</b>



	Fair Value GBP£	% of Net Assets
<b>Total Value of Investments (Cost: GBP£ 761,949,595)</b>	759,013,482	97.82
Cash at Bank	18,405,177	2.37
Other Net Liabilities	(1,460,854)	(0.19)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>775,957,805</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

<b>Analysis of total assets</b>	<b>31 December 2023 % of Total Assets</b>	<b>31 December 2022 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	97.31	94.95
Other assets	2.69	5.05
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

# Statement of Financial Position

As at 31 December 2023

As at 31 December 2023

	Notes	Artificial Intelligence Fund* US\$	Asian Opportunities Fund** US\$	Asian Stars Fund US\$	Biotechnology Fund US\$
<b>Assets</b>					
Transferable securities	10	441,578,129	–	247,151,863	1,628,959,349
Financial derivative instruments	10	404	–	464	392,502
Dividends and interest receivable		201,737	–	279,785	224,413
Collateral and margin cash		–	–	–	–
Amounts receivable on sale of securities		–	–	395,509	7,198,594
Amounts receivable on sale of redeemable participating shares		2,180,073	–	85,544	1,992,015
Accrued management fee rebate		–	–	–	–
Sundry debtors		5,715	–	6,523	11,975
Cash at bank	4	5,018,693	28,710	3,565,556	19,422,824
Margin cash	4	–	–	–	–
Reclaims receivable		–	–	–	–
<b>Total Assets</b>		<b>448,984,751</b>	<b>28,710</b>	<b>251,485,244</b>	<b>1,658,201,672</b>
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	–	(854)
Margin payable	4	–	–	–	–
Amounts payable on redemption of redeemable participating shares		(501,777)	–	(670,657)	(17,524,740)
Amounts payable on purchase of securities		–	–	(3,525,941)	(9,739,051)
Dividends and interest payable	1	(226)	–	–	(91)
Investment management fee payable	8	(338,390)	–	(73,135)	(1,945,690)
Management company fee payable	1	(4,181)	–	(2,302)	(15,722)
Performance fee payable		–	–	–	(22,906,065)
Sundry creditors		(135,770)	(28,710)	(1,485,542)	(606,817)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(980,344)</b>	<b>(28,710)</b>	<b>(5,757,577)</b>	<b>(52,739,030)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>448,004,407</b>	<b>–</b>	<b>245,727,667</b>	<b>1,605,462,642</b>

\* Automation & Artificial Intelligence Fund was renamed Artificial Intelligence Fund.

\*\* Asian Opportunities Fund terminated on 1 March 2021.

\*\*\* Emerging Market ex-China Stars Fund launched on 30 June 2023.

\*\*\*\* Emerging Markets Income Fund terminated on 8 June 2021.

\*\*\*\*\* Income Opportunities Fund was renamed Financial Credit Fund on 29 December 2023.



China Stars Fund US\$	Emerging Market ex-China Stars Fund*** US\$	Emerging Market Stars Fund US\$	Emerging Markets Income Fund**** US\$	European (ex UK) Income Fund EUR	Financial Credit Fund***** GBP	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$
11,085,033	1,048,955	1,494,913,653	–	287,425,703	23,790,521	13,411,570	83,525,681
–	–	1,517	–	545	22,858	260	2,472,666
24,907	1,573	2,071,565	–	7,133	340,341	4,451	489,758
–	–	–	–	–	–	–	–
–	1,392	4,422,734	–	–	2,291,323	–	7,714,214
–	–	5,626,442	–	–	42,197	228	495,365
–	1,613	–	–	–	–	–	–
38	226	28,363	–	2,888	966	61	2,611
861,197	40,177	20,307,308	60,380	5,561,714	624,350	480,019	10,332,150
–	–	–	–	–	–	–	2,874,545
–	–	–	–	106,278	–	–	–
11,971,175	1,093,936	1,527,371,582	60,380	293,104,261	27,112,556	13,896,589	107,906,990
–	–	(1,433)	–	(17)	(42,334)	–	(4,971,134)
–	–	–	–	–	(124,179)	–	–
–	–	(1,673,017)	–	–	(34,132)	(62,599)	(414,685)
(150,954)	(2,192)	(32,654,757)	–	–	(1,458,943)	(25,540)	–
–	–	(1,045)	–	(821)	–	(1)	(11,612)
(4,352)	(319)	(1,669,430)	–	(185,086)	(42,991)	(15,201)	(137,878)
(127)	(10)	(14,141)	–	(2,923)	(248)	(138)	(935)
–	–	–	–	–	–	–	(642,829)
(30,156)	(10,077)	(7,743,473)	(60,380)	(49,203)	(11,717)	(6,767)	(838,472)
(185,589)	(12,598)	(43,757,296)	(60,380)	(238,050)	(1,714,544)	(110,246)	(7,017,545)
11,785,586	1,081,338	1,483,614,286	–	292,866,211	25,398,012	13,786,343	100,889,445

# Statement of Financial Position continued

As at 31 December 2023

As at 31 December 2023

	Notes	Global Convertible Fund US\$	Global Insurance Fund GBP	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$
<b>Assets</b>					
Transferable securities	10	487,390,455	1,992,721,512	5,531,778,374	254,841,911
Financial derivative instruments	10	10,737,469	690,920	21,602,748	22,368
Dividends and interest receivable		2,022,470	539,054	2,161,191	32,732
Amounts receivable on sale of securities		–	518,452	30,665,170	–
Amounts receivable on sale of redeemable participating shares		99,186	4,106,230	5,056,380	448,141
Accrued management fee rebate		–	–	–	–
Sundry debtors		5,944	29,351	31,642	1,987
Cash at bank	4	–	49,402,532	55,321,963	3,000,141
Margin cash	4	24,834,645	–	279,436	–
Reclaims receivable		–	136,113	–	17,389
<b>Total Assets</b>		<b>525,090,169</b>	<b>2,048,144,164</b>	<b>5,646,896,904</b>	<b>258,364,669</b>
<b>Liabilities</b>					
Financial derivative instruments	10	(720,237)	(66,079)	(23,808)	(352)
Bank overdraft	4	(7,519,743)	(27,830,017)	(1,974,308)	(357,456)
Margin payable	4	–	–	–	–
Amounts payable on redemption of redeemable participating shares		(3,206,674)	(16,924,961)	(33,308,521)	(2,098,190)
Amounts payable on purchase of securities		–	–	(22,102,501)	(1,954,407)
Dividends and interest payable	1	–	(105,132)	(3,005)	(2,817)
Investment management fee payable	8	(709,915)	(1,434,244)	(7,782,196)	(139,713)
Management company fee payable	1	(5,377)	(20,960)	(54,383)	(2,487)
Performance fee payable		–	–	–	(99,434)
Sundry creditors		(699,434)	(489,898)	(1,706,623)	(97,122)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(12,861,380)</b>	<b>(46,871,291)</b>	<b>(66,955,345)</b>	<b>(4,751,978)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>512,228,789</b>	<b>2,001,272,873</b>	<b>5,579,941,559</b>	<b>253,612,691</b>

The Financial Statements were approved by the Board of Directors of Polar Capital Funds plc on 30 April 2024 and signed on its behalf by:

**David Hammond**  
Director

**Karen Nolan**  
Director

The accompanying notes form an integral part of these financial statements.



Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Value Opportunities Fund GBP	Total US\$
8,473,231	1,685,403,554	35,642,482,100	774,826,172	293,803,401	9,984,455	759,013,482	17,076,735,416
–	39,537	6,254,789	561,209	350	–	–	36,786,386
772	173,653	51,914,005	760,395	69,728	12,877	1,797,474	12,320,588
26,445	4,187,898	411,323,513	–	5,140,429	155,828	61,701	66,486,291
209	688,099	7,144,789	92,402	775,707	14,633	682,057	23,763,008
–	–	–	–	–	–	–	1,613
6,383	31,463	14,904,807	3,023	57,334	18,894	5,617	366,901
325,584	15,000,905	–	8,090,466	2,008,632	63,896	18,405,177	237,309,606
–	–	–	–	–	–	–	27,988,626
–	–	–	124,832	25,892	–	–	459,030
8,832,624	1,705,525,109	36,134,024,003	784,458,499	301,881,473	10,250,583	779,965,508	17,482,217,465
–	(145)	(107,182,089)	(211)	(165)	–	–	(6,616,805)
(55,375)	(26,937)	(64,072,418)	–	(1,928)	(4,032)	–	(45,871,978)
–	–	–	–	–	–	–	(158,304)
(28,106)	(3,759,779)	(62,684,883)	(8,743,825)	(907,875)	(1)	(2,034,229)	(97,557,776)
(10,336)	(56,655,432)	(24,276,632)	–	(4,111,100)	(156,773)	(1,333,301)	(134,820,734)
(220)	(625)	(298,023)	–	(38)	(22)	–	(156,745)
(5,103)	(1,540,623)	(34,263,687)	(466,255)	(467,683)	(7,004)	(415,437)	(18,163,155)
(78)	(14,989)	(392,710)	(7,692)	(2,583)	(98)	(7,976)	(168,461)
(75,410)	–	(1,691)	–	–	–	–	(23,723,750)
(15,670)	(6,600,071)	(10,656,900)	(122,196)	(48,787)	(3,099)	(216,760)	(21,284,893)
(190,298)	(68,598,601)	(303,829,033)	(9,340,179)	(5,540,159)	(171,029)	(4,007,703)	(348,522,600)
8,642,326	1,636,926,508	35,830,194,970	775,118,320	296,341,314	10,079,554	775,957,805	17,133,694,865



## Comparative Statement of Financial Position

As at 31 December 2022

As at 31 December 2022

	Notes	Asian Opportunities Fund* US\$	Asian Stars Fund US\$	Automation and Artificial Intelligence Fund US\$	Biotechnology Fund US\$
<b>Assets</b>					
Transferable securities		–	132,258,322	360,442,404	1,545,857,592
Financial derivative instruments	10	–	–	–	1,209
Dividends and interest receivable		–	127,249	144,261	151,801
Amounts receivable on sale of securities		–	–	–	269,062
Amounts receivable on sale of redeemable participating shares		–	29,007	312,181	3,182,805
Sundry debtors		–	2,404	2,919	9,612
Cash at bank	10	14,322	5,530,415	7,494,716	54,190,986
Margin cash	10	–	–	–	–
<b>Total Assets</b>		14,322	137,947,397	368,396,481	1,603,663,067
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	–	(487,769)
Bank overdraft	4	(1)	–	(13,135)	(835,100)
Amounts payable on redemption of redeemable participating shares		–	(176,252)	(235,655)	(4,173,705)
Amounts payable on purchase of securities		–	–	–	(52,131)
Dividends and interest payable		–	(31)	(126)	(3,560)
Investment management fee payable	3	–	(45,681)	(262,400)	(2,050,141)
Management company fee payable	3	–	(229)	(833)	(3,403)
Performance fee payable	3	–	–	–	(5,818,093)
Sundry creditors	3	(14,321)	(348,157)	(173,690)	(439,599)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		(14,322)	(570,350)	(685,839)	(13,863,501)
<b>Net assets attributable to holders of redeemable participating shares</b>		–	137,377,047	367,710,642	1,589,799,566

\* Asian Opportunities Fund terminated on 1 March 2021.

\*\* Emerging Markets Income Fund terminated on 8 June 2021.



China Stars Fund US\$	Emerging Markets Income Fund** US\$	Emerging Market Stars Fund US\$	European (ex UK) Income Fund EUR	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$	Global Convertible Fund US\$	Global Insurance Fund GBP
17,999,482	–	1,044,801,205	119,499,194	18,000,200	110,921,965	745,002,996	2,484,676,215
–	–	–	20	–	7,873,312	14,490,482	349,696
3,775	–	1,470,407	275	6,488	653,642	3,724,043	558,787
–	–	–	3,290,425	–	–	–	–
23,237	–	11,942,072	–	807	–	394,502	6,272,456
1,944	–	14,138	4,727	1,937	19,560	5,069	26,151
615,434	58,369	37,128,452	2,753,484	1,165,213	1,579,087	51,044,509	38,502,053
–	–	–	–	–	2,155,848	27,208,750	–
18,643,872	58,369	95,356,274	125,548,125	19,174,645	123,203,414	841,870,351	2,530,385,358
–	–	–	(19,667)	–	(8,258,578)	(16,988,797)	(30,987)
(167,012)	–	–	(5,395,545)	–	(5,194,941)	(75,072,359)	(1,949,247)
(4,764)	–	(964,525)	–	(11,226)	(785,227)	(702,285)	(5,040,001)
(231,170)	–	(20,144,081)	–	(152,854)	–	–	(3,170,861)
(561)	–	(233)	(542)	(201)	(20,532)	(141,324)	(10,292)
(6,821)	–	(1,105,306)	(191,505)	(20,911)	(117,250)	(558,333)	(1,749,988)
(30)	–	(1,982)	(13)	–	(54)	–	(438)
(45,134)	–	–	–	–	(48,486)	(51,646)	(1,283,689)
(28,485)	(58,369)	(2,194,665)	(39,492)	(8,558)	(43,770)	(439,260)	(466,440)
(483,977)	(58,369)	(24,410,792)	(5,646,764)	(193,750)	(14,468,838)	(93,954,004)	(13,701,943)
18,159,895	–	1,070,945,482	119,901,361	18,980,895	108,734,576	747,916,347	2,516,683,415



## Comparative Statement of Financial Position continued

As at 31 December 2022

As at 31 December 2022

	Notes	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$	Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$
<b>Assets</b>					
Transferable securities		3,916,911,831	200,547,767	38,741,602	1,694,706,842
Financial derivative instruments	10	854,118	2	–	14,811
Dividends and interest receivable		1,365,579	40,450	–	–
Amounts receivable on sale of securities		–	–	–	–
Amounts receivable on sale of redeemable participating shares		1,131,212	613,565	26,971	915,941
Sundry debtors		21,354	2,847	13,212	6,709
Cash at bank	10	185,113,790	7,960,933	912,217	45,429,566
Margin cash	10	–	–	–	–
<b>Total Assets</b>		<b>4,105,397,884</b>	<b>209,165,564</b>	<b>39,694,002</b>	<b>1,741,073,869</b>
<b>Liabilities</b>					
Financial derivative instruments	10	(1,369,124)	(20,801)	–	(28)
Bank overdraft	4	(1,386,966)	–	(107,807)	(44,688,191)
Amounts payable on redemption of redeemable participating shares		(9,013,022)	(1,563,921)	(101,474)	(3,277,554)
Amounts payable on purchase of securities		–	–	–	–
Dividends and interest payable		(2,417)	–	(195)	(194,073)
Investment management fee payable	3	(6,322,768)	(106,259)	(23,469)	(1,737,873)
Management company fee payable	3	(8,258)	(17)	(87)	(3,585)
Performance fee payable	3	–	–	(356,785)	–
Sundry creditors	3	(1,600,487)	(59,924)	(75,567)	(3,496,185)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(19,703,042)</b>	<b>(1,750,922)</b>	<b>(665,384)</b>	<b>(53,397,489)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>4,085,694,842</b>	<b>207,414,642</b>	<b>39,028,618</b>	<b>1,687,676,380</b>

The accompanying notes form an integral part of these financial statements.



Income Opportunities Fund GBP	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Value Opportunities Fund GBP	Total US\$
46,705,495	24,639,895,200	803,001,543	127,899,403	10,354,553	956,710,281	15,277,554,963
194,797	496,316	109,269	–	–	–	24,001,957
377,324	46,750,000	298,414	19,512	9,234	2,602,938	12,626,589
–	–	–	633,581	–	75,954	4,505,717
21,800	4,022,037	2,305,960	505,094	3,376	677,978	29,804,113
1,615	336,474	4,079	49,822	21,698	2,404	221,191
2,127,326	420,151,046	15,868,627	1,011,103	25,258	47,489,414	527,264,076
741,899	–	–	–	–	–	30,257,028
50,170,256	25,111,651,073	821,587,892	130,118,515	10,414,119	1,007,558,969	15,906,235,634
–	(54,460,906)	(540,203)	–	–	–	(28,136,323)
(29,370)	(106,847,493)	(1,964,338)	(287,753)	(3,266)	(55,923)	(138,736,415)
(17,625)	(835,024)	(492,510)	(486,535)	–	(843,043)	(29,092,898)
–	–	–	(1,207,301)	(24,889)	(982,513)	(26,808,520)
(1,645)	(339,748)	–	(1,574)	(48)	(229)	(382,663)
(70,356)	(25,463,132)	(496,919)	(199,154)	(7,894)	(577,657)	(16,343,103)
(6)	(9,710)	(1,635)	(98)	(21)	(2,132)	(23,418)
(251,963)	–	–	–	–	–	(8,167,380)
(11,338)	(25,027,917)	(143,121)	(22,802)	(3,268)	(220,543)	(10,222,073)
(382,303)	(212,983,930)	(3,638,726)	(2,205,217)	(39,386)	(2,682,040)	(257,912,793)
49,787,953	24,898,667,143	817,949,166	127,913,298	10,374,733	1,004,876,929	15,648,322,841

# Statement of Comprehensive Income

For the financial year ended 31 December 2023

As at 31 December 2023

	Notes	Artificial Intelligence Fund* US\$	Asian Opportunities Fund** US\$	Asian Stars Fund US\$	Biotechnology Fund US\$
<b>Investment income</b>					
Investment income	2H	4,316,353	–	2,290,036	7,084,111
Net realised and unrealised gain/(loss) on investments	2D	123,458,698	–	17,872,041	249,900,624
Income equalisation	2E	3,791	–	392,540	–
<b>Net investment income/(expense)</b>		<b>127,778,842</b>	<b>–</b>	<b>20,554,617</b>	<b>256,984,735</b>
<b>Expenses</b>					
Investment management fees	3	(2,792,229)	–	(687,656)	(20,133,554)
Management company fees	3	(11,478)	–	(5,640)	(51,132)
Administration fees	3	(158,326)	–	(74,215)	(738,225)
General expenses	3	(76,559)	–	(110,012)	(369,396)
Performance fees	3	–	–	–	(22,906,065)
Depository's fees	3	(82,530)	–	(97,482)	(314,314)
Research fees		(94,020)	–	8,973	(569,686)
Legal fees		(7,964)	–	(4,025)	(39,165)
Directors' fees	8	(13,225)	–	(6,189)	(60,678)
Auditor's fees		(5,113)	–	(3,330)	(23,784)
<b>Operating expenses</b>		<b>(3,241,444)</b>	<b>–</b>	<b>(979,576)</b>	<b>(45,205,999)</b>
<b>Net income/(expense) from operations before finance costs</b>		<b>124,537,398</b>	<b>–</b>	<b>19,575,041</b>	<b>211,778,736</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(148)	–	–	(79)
Distributions to holders of redeemable participating shares	13	–	–	(1,349)	–
<b>Total finance costs</b>		<b>(148)</b>	<b>–</b>	<b>(1,349)</b>	<b>(79)</b>
<b>Profit/(loss) for the year before tax</b>		<b>124,537,250</b>	<b>–</b>	<b>19,573,692</b>	<b>211,778,657</b>
Withholding tax/reclaims		(730,788)	–	(313,787)	(801,673)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>123,806,462</b>	<b>–</b>	<b>19,259,905</b>	<b>210,976,984</b>

\* Automation & Artificial Intelligence Fund was renamed Artificial Intelligence Fund on 22 June 2023.

\*\* Asian Opportunities Fund terminated on 1 March 2021.

\*\*\* Emerging Market ex-China Stars Fund launched on 30 June 2023.

\*\*\*\* Emerging Markets Income Fund terminated on 8 June 2021.

\*\*\*\*\* Income Opportunities Fund was renamed Financial Credit Fund on 29 December 2023.



China Stars Fund US\$	Emerging Market ex-China Stars*** Fund US\$	Emerging Market Stars Fund US\$	Emerging Markets Income Fund**** US\$	European (ex UK) Income Fund EUR	Financial Credit Fund***** GBP	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$
393,862	8,589	19,276,672	2,035	11,129,815	2,948,682	486,577	8,771,834
(3,698,983)	76,031	144,300,845	–	14,360,492	(1,517,781)	1,294,535	242,362
(71,099)	2	295,997	–	(3,503,508)	(1,360,929)	(71,193)	(1,522,580)
(3,376,220)	84,622	163,873,514	2,035	21,986,799	69,972	1,709,919	7,491,616
(77,950)	(1,895)	(9,744,256)	–	(1,715,740)	(386,962)	(158,274)	(913,634)
(498)	(19)	(38,843)	–	(8,340)	(1,207)	(517)	(3,585)
(7,598)	(213)	(527,232)	–	(102,298)	(17,778)	(7,059)	(49,356)
(81,559)	(12,934)	(316,505)	(2,035)	(82,143)	(28,259)	(42,962)	(61,435)
–	–	–	–	–	–	–	(641,477)
(5,767)	(327)	(685,731)	–	(55,900)	(9,489)	(4,173)	(18,256)
1,435	(164)	85,722	–	–	(3,183)	(1,082)	(18,931)
(447)	(11)	(30,535)	–	(5,280)	(893)	(366)	(3,301)
(561)	(20)	(43,832)	–	(9,652)	(1,356)	(556)	(4,416)
(254)	(12)	(20,247)	–	(4,421)	(359)	(194)	(1,450)
(173,199)	(15,595)	(11,321,459)	(2,035)	(1,983,774)	(449,486)	(215,183)	(1,715,841)
(3,549,419)	69,027	152,552,055	–	20,003,025	(379,514)	1,494,736	5,775,775
(12,666)	(6)	(2,043)	–	(185)	–	(272)	(7,342)
–	–	(780,604)	–	(3,941,855)	(855,567)	(258,152)	(113,710)
(12,666)	(6)	(782,647)	–	(3,942,040)	(855,567)	(258,424)	(121,052)
(3,562,085)	69,021	151,769,408	–	16,060,985	(1,235,081)	1,236,312	5,654,723
(28,393)	(829)	(2,385,102)	–	(1,202,058)	47,052	(65,316)	(67,696)
(3,590,478)	68,192	149,384,306	–	14,858,927	(1,188,029)	1,170,996	5,587,027

# Statement of Comprehensive Income continued

For the financial year ended 31 December 2023

As at 31 December 2023

	Notes	Global Convertible Fund US\$	Financial Credit Fund GBP	Global Insurance Fund GBP	Global Technology Fund US\$
<b>Investment income</b>					
Investment income	2H	46,341,028	2,948,682	35,016,160	32,899,206
Net realised and unrealised gain/(loss) on investments	2D	10,773,172	(1,517,780)	23,465,716	2,124,654,578
Income equalisation	2E	(10,145,417)	(1,360,929)	(1,548,404)	–
<b>Net investment income</b>		<b>46,968,783</b>	<b>69,972</b>	<b>56,933,472</b>	<b>2,157,553,784</b>
<b>Expenses</b>					
Investment management fees	3	(5,250,200)	(386,962)	(16,413,450)	(58,828,214)
Management company fees	3	(20,167)	(1,207)	(65,169)	(153,980)
Administration fees	3	(273,070)	(17,778)	(895,112)	(2,074,369)
General expenses	3	(588,648)	(28,259)	(352,192)	(1,021,994)
Performance fees	3	51,169	–	1,933	–
Depository's fees	3	(126,762)	(9,489)	(373,898)	(1,071,440)
Research fees		(94,569)	(3,183)	(212,170)	(1,273,440)
Legal fees		(17,614)	(893)	(43,932)	(110,928)
Directors' fees	8	(23,446)	(1,356)	(69,087)	(178,985)
Auditor's fees		(7,535)	(359)	(25,753)	(76,323)
<b>Operating expenses</b>		<b>(6,350,842)</b>	<b>(449,486)</b>	<b>(18,448,830)</b>	<b>(64,789,673)</b>
<b>Net income from operations before finance costs</b>		<b>40,617,941</b>	<b>(379,514)</b>	<b>38,484,642</b>	<b>2,092,764,111</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	–	–	–	(409)
Distributions to holders of redeemable participating shares	13	(31,984,170)	(855,567)	(11,879,370)	–
<b>Total finance costs</b>		<b>(31,984,170)</b>	<b>(855,567)</b>	<b>(11,879,370)</b>	<b>(409)</b>
<b>Profit for the year before tax</b>		<b>8,633,771</b>	<b>(1,235,081)</b>	<b>26,605,272</b>	<b>2,092,763,702</b>
Withholding tax/reclaims		(190,578)	47,052	(4,669,501)	(5,001,664)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>8,443,193</b>	<b>(1,188,029)</b>	<b>21,935,771</b>	<b>2,087,762,038</b>

\* Automation & Artificial Intelligence Fund was renamed Artificial Intelligence Fund on 22 June 2023.

\*\* Asian Opportunities Fund terminated on 1 March 2021.

\*\*\* Emerging Market ex-China Stars Fund launched on 30 June 2023.

\*\*\*\* Emerging Markets Income Fund terminated on 8 June 2021.

\*\*\*\*\* Income Opportunities Fund was renamed Financial Credit Fund on 29 December 2023.

The accompanying notes form an integral part of these financial statements.



Healthcare Blue Chip Fund US\$	Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Value Opportunities Fund GBP	Total US\$
2,906,602	65,040	6,245,665	871,388,400	8,695,840	1,925,060	147,185	39,274,314	256,136,817
12,841,712	635,894	168,373,611	8,318,907,807	164,035,299	30,254,675	1,606,103	45,366,932	3,205,187,215
33,252	–	–	11,954,305	(122,644)	4	(607)	(7,857,841)	(28,297,487)
15,781,566	700,934	174,619,276	9,202,250,512	172,608,495	32,179,739	1,752,681	76,783,405	3,433,026,545
(1,578,705)	(194,569)	(17,478,867)	(234,461,227)	(5,343,317)	(2,414,772)	(94,783)	(6,002,933)	(157,571,835)
(8,011)	(708)	(47,627)	(1,008,699)	(23,027)	(6,720)	(351)	(27,208)	(504,869)
(101,461)	(11,751)	(687,069)	(13,033,378)	(329,154)	(85,720)	(4,962)	(402,946)	(6,969,335)
(89,783)	(38,512)	(61,015)	(7,980,350)	(167,210)	(115,316)	(36,898)	(187,190)	(4,044,263)
(99,434)	(75,410)	–	(1,691)	–	–	–	–	(23,668,826)
(47,176)	(5,745)	(349,373)	(6,985,294)	(136,505)	(46,402)	(3,059)	(184,240)	(3,811,042)
(74,550)	(10,728)	(546,182)	3,481,516	–	(40,283)	(2,343)	(124,330)	(3,027,336)
(5,321)	(598)	(35,542)	(656,037)	(17,030)	(4,966)	(2,307)	(21,523)	(372,999)
(8,469)	(929)	(56,045)	(1,120,447)	(26,833)	(7,152)	(417)	(32,801)	(578,545)
(3,547)	(111)	(20,392)	(500,903)	(10,463)	(4,123)	(160)	(12,043)	(232,829)
(2,016,457)	(339,061)	(19,282,112)	(262,266,510)	(6,053,539)	(2,725,454)	(145,280)	(6,995,214)	(200,781,879)
13,765,109	361,873	155,337,164	8,939,984,002	166,554,956	29,454,285	1,607,401	69,788,191	3,232,244,666
(2,834)	(2)	(950,150)	(4,694,681)	(554)	(2)	(3)	–	(1,010,202)
(1,429,600)	–	–	(362,736,289)	–	–	–	(20,017,562)	(82,138,290)
(1,432,434)	(2)	(950,150)	(367,430,970)	(554)	(2)	(3)	(20,017,562)	(83,148,492)
12,332,675	361,871	154,387,014	8,572,553,032	166,554,402	29,454,283	1,607,398	49,770,629	3,149,096,174
(562,596)	(6,563)	(677,352)	(130,708,260)	(1,649,156)	(366,543)	(29,454)	(221,947)	(21,132,654)
11,770,079	355,308	153,709,662	8,441,844,772	164,905,246	29,087,740	1,577,944	49,548,682	3,127,963,520

# Comparative Statement of Comprehensive Income

For the financial year ended 31 December 2022

As at 31 December 2022

	Notes	Asian Opportunities Fund* US\$	Asian Stars Fund US\$	Automation & Artificial Intelligence Fund US\$	Biotechnology Fund US\$
<b>Investment income</b>					
Investment income	2H	7	1,601,727	6,291,698	3,029,920
Net realised and unrealised loss on investments	2D	–	(46,487,893)	(249,053,220)	(131,593,525)
Income equalisation	2E	–	67,832	(752,191)	–
<b>Net investment income/(expense)</b>		7	(44,818,334)	(243,513,713)	(128,563,605)
<b>Expenses</b>					
Investment management fees	3	–	(529,571)	(2,845,399)	(17,860,700)
Management company fees	3	–	(3,326)	(12,255)	(42,514)
Administration fees	3	–	(55,978)	(211,477)	(642,616)
General expenses	3	(594)	(81,960)	(134,591)	(434,813)
Performance fees	3	–	–	–	(5,818,093)
Depository's fees		–	(71,920)	(112,311)	(267,397)
Research fees		(197)	(15,040)	(137,170)	(372,086)
Legal fees	8	784	(3,351)	(9,602)	(39,785)
Directors' fees		–	(6,691)	(26,383)	(78,327)
Auditor's fees		–	(1,257)	(2,674)	(15,237)
<b>Operating expenses</b>		(7)	(769,094)	(3,491,862)	(25,571,568)
<b>Net expense from operations before finance costs</b>		–	(45,587,428)	(247,005,575)	(154,135,173)
<b>Finance costs</b>					
Bank interest/financing charges	2H	–	(29)	(111)	(2,586)
Distributions to holders of redeemable participating shares	13	–	–	–	–
<b>Total finance costs</b>		–	(29)	(111)	(2,586)
<b>(Loss)/profit for the year before tax</b>		–	(45,587,457)	(247,005,686)	(154,137,759)
Withholding tax/reclaims		–	(245,825)	(1,172,980)	(205,608)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		–	(45,833,282)	(248,178,666)	(154,343,367)

\* Asian Opportunities Fund terminated on 1 March 2021.

\*\* Emerging Markets Income Fund merged with the Emerging Market Stars Fund on 8 June 2021.



China Stars Fund US\$	Emerging Markets Income Fund** US\$	Emerging Market Stars Fund US\$	European (ex UK) Income Fund EUR	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$	Global Convertible Fund US\$	Global Insurance Fund GBP
407,734	214	13,282,534	5,920,330	597,143	6,278,637	45,090,958	34,643,494
(4,464,960)	–	(383,648,904)	(2,952,285)	(4,280,559)	(9,402,365)	(235,956,287)	447,860,429
37,242	–	21,985	(315,418)	(22,986)	119,472	(7,590,275)	1,843,198
(4,019,984)	214	(370,344,385)	2,652,627	(3,706,402)	(3,004,256)	(198,455,604)	484,347,121
(73,550)	–	(8,361,129)	(1,235,103)	(205,434)	(785,015)	(6,946,636)	(16,136,190)
(445)	–	(28,387)	(3,208)	(527)	(3,076)	(16,136)	(56,508)
(7,021)	–	(457,511)	(51,733)	(9,442)	(42,869)	(356,490)	(881,673)
(78,425)	(1,114)	(331,073)	(55,740)	(53,761)	(66,746)	(560,036)	(554,840)
(45,134)	–	–	–	–	(48,486)	(51,646)	(1,283,689)
(5,023)	–	(594,835)	(27,495)	(5,722)	(17,114)	(135,390)	(362,694)
(1,244)	–	(138,026)	–	(1,478)	(10,229)	(114,612)	(120,667)
(458)	900	(27,644)	(3,575)	(665)	(4,089)	(23,293)	(68,290)
(846)	–	(53,249)	(6,407)	(1,151)	(5,215)	(44,084)	(106,638)
(158)	–	(11,229)	(1,150)	(235)	(1,567)	(6,164)	(28,803)
(212,304)	(214)	(10,003,083)	(1,384,411)	(278,415)	(984,406)	(8,254,487)	(19,599,992)
(4,232,288)	–	(380,347,468)	1,268,216	(3,984,817)	(3,988,662)	(206,710,091)	464,747,129
–	–	(225)	(15,132)	–	(9,062)	–	(968)
–	–	–	(3,663,852)	(392,335)	–	(30,049,611)	(15,209,695)
–	–	(225)	(3,678,984)	(392,335)	(9,062)	(30,049,611)	(15,210,663)
(4,232,288)	–	(380,347,693)	(2,410,768)	(4,377,152)	(3,997,724)	(236,759,702)	449,536,466
(21,231)	–	(2,097,860)	(834,314)	(98,320)	(30,284)	(136,399)	(4,600,066)
(4,253,519)	–	(382,445,553)	(3,245,082)	(4,475,472)	(4,028,008)	(236,896,101)	444,936,400

# Comparative Statement of Comprehensive Income continued

For the financial year ended 31 December 2022

As at 31 December 2022

	Notes	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$	Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$
<b>Investment income</b>					
Investment income	2H	30,811,791	1,558,227	64,988	8,788,849
Net realised and unrealised loss on investments	2D	(3,217,982,623)	(2,230,305)	(14,174,346)	(179,193,049)
Income equalisation	2E	–	662,585	–	–
<b>Net investment (expense)/income</b>		<b>(3,187,170,832)</b>	<b>(9,493)</b>	<b>(14,109,358)</b>	<b>(170,404,200)</b>
<b>Expenses</b>					
Investment management fees	3	(66,596,196)	(829,573)	(336,970)	(18,585,958)
Management company fees	3	(135,148)	(3,896)	(1,206)	(46,931)
Administration fees	3	(2,322,383)	(58,324)	(19,588)	(728,027)
General expenses	3	(1,020,853)	(69,791)	(41,051)	(435,250)
Performance fees	3	–	–	(356,785)	–
Depository's fees		(1,217,449)	(24,798)	(8,986)	(350,889)
Research fees		(1,498,028)	(33,235)	(10,301)	(432,899)
Legal fees	8	(88,728)	(4,514)	(799)	(42,073)
Directors' fees		(289,556)	(6,871)	(2,462)	(90,272)
Auditor's fees		(20,529)	(1,990)	(266)	(14,497)
<b>Operating expenses</b>		<b>(73,188,870)</b>	<b>(1,032,992)</b>	<b>(778,414)</b>	<b>(20,726,796)</b>
<b>Net (expense)/income from operations before finance costs</b>		<b>(3,260,359,702)</b>	<b>(1,042,485)</b>	<b>(14,887,772)</b>	<b>(191,130,996)</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(1,315)	–	(3)	(282,121)
Distributions to holders of redeemable participating shares	13	–	(639,215)	–	–
<b>Total finance costs</b>		<b>(1,315)</b>	<b>(639,215)</b>	<b>(3)</b>	<b>(282,121)</b>
<b>Loss for the year before tax</b>		<b>(3,260,361,017)</b>	<b>(1,681,700)</b>	<b>(14,887,775)</b>	<b>(191,413,117)</b>
Withholding tax/reclaims		(6,459,016)	(305,039)	(10,774)	(1,219,328)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(3,266,820,033)</b>	<b>(1,986,739)</b>	<b>(14,898,549)</b>	<b>(192,632,445)</b>

\* UK Absolute Equity Fund terminated on 15 May 2020.

The accompanying notes form an integral part of these financial statements.



Income Opportunities Fund GBP	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Absolute Equity Fund* GBP	UK Value Opportunities Fund GBP	Total US\$
2,914,501	746,446,400	7,955,284	526,989	79,229	4	42,292,149	237,086,708
2,139,752	3,315,966,199	(233,108,766)	(10,399,051)	(2,350,043)	–	(307,822,973)	(4,526,182,354)
(345,368)	(28,757,131)	–	1,056	–	–	(5,198,280)	(12,584,919)
4,708,885	4,033,655,468	(225,153,482)	(9,871,006)	(2,270,814)	4	(270,729,104)	(4,301,680,565)
(509,459)	(194,625,040)	(6,370,247)	(732,837)	(77,724)	–	(7,904,476)	(164,294,714)
(1,295)	(662,782)	(24,270)	(2,182)	(274)	–	(29,892)	(437,498)
(22,070)	(10,608,471)	(400,726)	(29,170)	(4,084)	–	(524,358)	(7,247,866)
(34,723)	(14,449,785)	(239,323)	(79,432)	(33,706)	15,407	(273,508)	(4,880,387)
(251,963)	–	–	–	–	–	–	(8,219,573)
(10,553)	(5,595,991)	(164,479)	(15,263)	(2,385)	2,731	(166,316)	(3,729,792)
(3,115)	(16,924,515)	–	(13,630)	(1,931)	(38,190)	(171,713)	(3,322,462)
(1,313)	(750,972)	(21,010)	(2,859)	(378)	227	(28,752)	(398,456)
(2,719)	(1,311,021)	(49,587)	(3,047)	(472)	14,734	(67,418)	(875,432)
(347)	(327,676)	(5,110)	(1,284)	(156)	5,134	(8,013)	(125,691)
(837,557)	(245,256,253)	(7,274,752)	(879,704)	(121,110)	43	(9,174,446)	(193,531,871)
3,871,328	3,788,399,215	(232,428,234)	(10,750,710)	(2,391,924)	47	(279,903,550)	(4,495,212,436)
(2,207)	(3,489,514)	–	(1,292)	(37)	(47)	(188)	(343,669)
(801,548)	–	–	–	–	–	(18,820,910)	(78,025,113)
(803,755)	(3,489,514)	–	(1,292)	(37)	(47)	(18,821,098)	(78,368,782)
3,067,573	3,784,909,701	(232,428,234)	(10,752,002)	(2,391,961)	–	(298,724,648)	(4,573,581,218)
(165,690)	(111,966,960)	(1,978,111)	(95,408)	(13,140)	–	(141,065)	(21,895,155)
2,901,883	3,672,942,741	(234,406,345)	(10,847,410)	(2,405,101)	–	(298,865,713)	(4,595,476,373)

# Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2023

As at 31 December 2023

Notes	Artificial Intelligence Fund* US\$	Asian Opportunities Fund** US\$	Asian Stars Fund US\$	Biotechnology Fund US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>	367,710,642	–	137,377,047	1,589,799,566
Issue of redeemable shares during the financial year	9 86,061,416	–	112,967,470	565,613,110
FX gain on aggregation	2 –	–	–	–
Redemption of redeemable shares during the financial year	9 (129,574,113)	–	(23,876,755)	(760,927,018)
Change in net assets attributable to holders of redeemable participating shares	123,806,462	–	19,259,905	210,976,984
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	448,004,407	–	245,727,667	1,605,462,642

Notes	Global Convertible Fund US\$	Global Insurance Fund GBP	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>	747,916,347	2,516,683,415	4,085,694,842	207,414,642
Issue of redeemable shares during the financial year	9 132,116,403	663,669,094	776,393,353	137,303,805
FX gain on aggregation	2 –	–	–	–
Redemption of redeemable shares during the financial year	9 (376,247,154)	(1,201,015,408)	(1,369,908,674)	(102,875,835)
Change in net assets attributable to holders of redeemable participating shares	8,443,193	21,935,772	2,087,762,038	11,770,079
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	512,228,789	2,001,272,873	5,579,941,559	253,612,691

\* Automation & Artificial Intelligence Fund was renamed Artificial Intelligence Fund on 22 June 2023.

\*\* Asian Opportunities Fund terminated on 1 March 2021.

\*\*\* Emerging Market ex-China Stars Fund launched on 30 June 2023.

\*\*\*\* Emerging Markets Income Fund terminated on 8 June 2021.

\*\*\*\*\* Income Opportunities Fund was renamed Financial Credit Fund on 29 December 2023.

The accompanying notes form an integral part of these financial statements.



China Stars Fund US\$	Emerging Market ex-China Stars Fund*** US\$	Emerging Market Stars Fund US\$	Emerging Markets Income**** Fund US\$	European (ex UK) Income Fund EUR	Financial Credit Fund***** GBP	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$
18,159,895	–	1,070,945,482	–	119,901,361	49,787,953	18,980,895	108,734,576
9,298,134	1,013,146	500,339,527	–	396,985,610	3,335,812	1,088,164	65,541,345
–	–	–	–	–	–	–	–
(12,081,965)	–	(237,055,030)	–	(238,879,687)	(26,537,724)	(7,453,712)	(78,973,503)
(3,590,478)	68,192	149,384,307	–	14,858,927	(1,188,029)	1,170,996	5,587,027
11,785,586	1,081,338	1,483,614,286	–	292,866,211	25,398,012	13,786,343	100,889,445
Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Value Opportunities Fund GBP	Total US\$
39,028,618	1,687,676,380	24,898,667,143	817,949,166	127,913,298	10,374,733	1,004,876,929	15,648,322,841
3,244,666	293,295,168	13,016,285,716	83,413,076	198,672,152	4,344,131	259,137,213	4,644,258,308
–	–	–	–	–	–	–	228,549,222
(33,986,266)	(497,754,702)	(10,526,602,661)	(291,149,168)	(59,331,876)	(6,217,254)	(537,605,019)	(6,515,399,028)
355,308	153,709,662	8,441,844,772	164,905,246	29,087,740	1,577,944	49,548,682	3,127,963,522
8,642,326	1,636,926,508	35,830,194,970	775,118,320	296,341,314	10,079,554	775,957,805	17,133,694,865

# Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2022

As at 31 December 2022

	Notes	Asian Opportunities Fund* US\$	Asian Stars Fund US\$	Automation & Artificial Intelligence Fund US\$	Biotechnology Fund US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		–	170,042,137	768,829,307	1,713,904,099
Issue of redeemable shares during the financial year	9	–	43,792,331	32,372,579	529,114,305
FX loss on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	–	(30,624,139)	(185,312,578)	(498,875,471)
Change in net assets attributable to holders of redeemable participating shares		–	(45,833,282)	(248,178,666)	(154,343,367)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		–	137,377,047	367,710,642	1,589,799,566

	Notes	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$	Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		9,078,397,146	116,148,125	72,619,592	2,138,223,444
Issue of redeemable shares during the financial year	9	618,660,898	120,872,924	4,847,728	250,254,048
FX loss on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(2,344,543,169)	(27,619,668)	(23,540,153)	(508,168,667)
Change in net assets attributable to holders of redeemable participating shares		(3,266,820,033)	(1,986,739)	(14,898,549)	(192,632,445)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		4,085,694,842	207,414,642	39,028,618	1,687,676,380

\* Asian Opportunities Fund terminated on 1 March 2021.

\*\* Emerging Markets Income Fund merged with the Emerging Market Stars Fund on 8 June 2021.

\*\*\* UK Absolute Equity Fund terminated on 15 May 2020.

The accompanying notes form an integral part of these financial statements.



China Stars Fund US\$	Emerging Markets Income Fund** US\$	Emerging Market Stars Fund US\$	European (ex UK) Income Fund EUR	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$	Global Convertible Fund US\$	Global Insurance Fund GBP
19,979,329	–	1,288,353,415	119,139,503	23,496,762	70,325,384	1,066,904,406	1,701,832,724
7,704,614	–	372,530,935	59,368,701	10,131,887	60,441,612	397,122,937	862,419,092
–	–	–	–	–	–	–	–
(5,270,529)	–	(207,493,315)	(55,361,761)	(10,172,282)	(18,004,412)	(479,214,895)	(492,504,801)
(4,253,519)	–	(382,445,553)	(3,245,082)	(4,475,472)	(4,028,008)	(236,896,101)	444,936,400
18,159,895	–	1,070,945,482	119,901,361	18,980,895	108,734,576	747,916,347	2,516,683,415

Income Opportunities Fund GBP	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Absolute Equity Fund*** GBP	UK Value Opportunities Fund GBP	Total US\$
58,052,699	23,668,453,458	1,251,434,041	27,652,671	7,375,870	–	1,608,257,789	22,716,689,713
4,500,020	5,506,563,592	136,699,713	122,540,316	6,445,831	–	301,676,077	4,263,683,636
–	–	–	–	–	–	–	(551,924,156)
(15,666,649)	(7,949,292,648)	(335,778,243)	(11,432,279)	(1,041,867)	–	(606,191,224)	(6,184,649,979)
2,901,883	3,672,942,741	(234,406,345)	(10,847,410)	(2,405,101)	–	(298,865,713)	(4,595,476,373)
49,787,953	24,898,667,143	817,949,166	127,913,298	10,374,733	–	1,004,876,929	15,648,322,841

# Statement of Cash Flows

For the financial year ended 31 December 2023

As at 31 December 2023

	Artificial Intelligence Fund* US\$	Asian Opportunities Fund** US\$	Asian Stars Fund US\$	Biotechnology Fund US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(240,908,677)	–	(173,494,293)	(1,457,180,152)
Proceeds from sale of financial assets	283,346,323	–	81,232,259	1,623,824,150
(Outflow)/inflow from forward foreign currency contracts and futures	(115,077)	–	(1,629,498)	2,034,049
Decrease/(increase) in margin accounts	–	–	–	–
Dividends and interest received	4,258,829	–	2,137,469	7,007,951
Operating expenses paid	(3,933,610)	14,389	(130,570)	(28,846,977)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>42,647,788</b>	<b>14,389</b>	<b>(91,884,633)</b>	<b>146,839,021</b>
<b>Cash flows from financing activities</b>				
Distributions	–	–	(1,349)	–
Income equalisation	3,791	–	392,540	–
Proceeds from redeemable participating shares	84,193,524	–	112,910,933	566,803,900
Redemptions of redeemable participating shares	(129,307,991)	–	(23,382,350)	(747,575,983)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(45,110,676)</b>	<b>–</b>	<b>89,919,774</b>	<b>(180,772,083)</b>
<b>Net (decrease)/increase in cash</b>	<b>(2,462,888)</b>	<b>14,389</b>	<b>(1,964,859)</b>	<b>(33,933,062)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net cash at beginning of the financial year</b>	<b>7,481,581</b>	<b>14,321</b>	<b>5,530,415</b>	<b>53,355,886</b>
<b>Net cash at end of the financial year</b>	<b>5,018,693</b>	<b>28,710</b>	<b>3,565,556</b>	<b>19,422,824</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	3,843,767	–	1,946,428	4,435,669
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	415,110	–	191,072	2,575,830
Cash paid during the financial year for interest expense	(48)	–	(31)	(3,548)
	<b>4,258,829</b>	<b>–</b>	<b>2,137,469</b>	<b>7,007,951</b>

\* Automation & Artificial Intelligence Fund was renamed Artificial Intelligence Fund on 22 June 2023.

\*\* Asian Opportunities Fund terminated on 1 March 2021.

\*\*\* Emerging Market ex-China Stars Fund launched on 30 June 2023.

\*\*\*\* Emerging Markets Income Fund terminated on 8 June 2021.

\*\*\*\*\* Income Opportunities Fund was renamed Financial Credit Fund on 29 December 2023.



China Stars Fund US\$	Emerging Market ex-China Stars Fund*** US\$	Emerging Market Stars Fund US\$	Emerging Markets Income Fund**** US\$	European (ex UK) Income Fund US\$	Financial Credit Fund***** US\$	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$
(15,726,213)	(1,074,168)	(756,222,474)	–	(231,167,224)	(43,215,136)	(17,129,939)	(565,334,927)
18,877,994	110,409	466,691,496	–	80,901,306	64,839,433	22,891,443	651,094,791
(16,531)	(8,365)	(8,192,767)	–	(29,849)	(845,211)	(5,913)	(63,722,228)
–	–	–	–	–	866,078	–	(718,697)
359,503	5,397	18,674,283	2,035	11,123,051	2,984,020	488,142	8,919,455
(245,521)	(6,244)	(7,595,695)	(24)	(3,284,069)	(680,492)	(285,986)	(356,035)
3,249,232	(972,971)	(286,645,157)	2,011	(142,456,785)	23,948,692	5,957,747	29,882,359
–	–	(780,604)	–	(3,941,855)	(855,567)	(258,152)	(113,710)
(71,099)	2	295,997	–	(3,503,508)	(1,360,929)	(71,193)	(1,522,580)
9,321,371	1,013,146	506,655,157	–	396,985,610	3,315,415	1,088,743	65,045,980
(12,086,729)	–	(236,346,537)	–	(238,879,687)	(26,521,217)	(7,402,339)	(79,344,045)
(2,836,457)	1,013,148	269,824,013	–	150,660,560	(25,422,298)	(6,642,941)	(15,934,355)
412,775	40,177	(16,821,144)	2,011	8,203,775	(1,473,606)	(685,194)	13,948,004
–	–	–	–	–	–	–	–
448,422	–	37,128,452	58,369	(2,642,061)	2,097,956	1,165,213	(3,615,854)
861,197	40,177	20,307,308	60,380	5,561,714	624,350	480,019	10,332,150
373,032	5,152	17,446,300	–	11,108,159	974,113	473,468	6,810,573
(10)	–	–	–	–	1,997,286	–	1,694,568
(292)	251	1,229,214	2,035	14,798	14,266	15,146	430,577
(13,227)	(6)	(1,231)	–	94	(1,645)	(472)	(16,263)
359,503	5,397	18,674,283	2,035	11,123,051	2,984,020	488,142	8,919,455



## Statement of Cash Flows continued

For the financial year ended 31 December 2023

As at 31 December 2023

	Global Convertible Fund US\$	Global Insurance Fund GBP	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(1,290,830,522)	(73,288,236)	(4,182,028,815)	(393,059,235)
Proceeds from sale of financial assets	1,703,423,748	584,209,341	4,652,733,791	353,655,546
(Outflow)/inflow from forward foreign currency contracts and futures	(156,723,058)	503,868	8,426,444	(137,151)
Decrease/(increase) in margin accounts	2,374,105	–	(279,436)	–
Dividends and interest received	47,901,277	35,130,734	32,103,773	2,914,303
Operating expenses paid	(6,176,808)	(24,813,097)	(68,189,936)	(2,423,026)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>299,968,742</b>	<b>521,742,610</b>	<b>442,765,821</b>	<b>(39,049,563)</b>
<b>Cash flows from financing activities</b>				
Distributions	(31,984,170)	(11,879,370)	–	(1,429,600)
Income equalisation	(10,145,417)	(1,548,404)	–	33,252
Proceeds from redeemable participating shares	132,411,718	665,835,321	772,468,185	137,469,229
Redemptions of redeemable participating shares	(373,742,766)	(1,189,130,448)	(1,345,613,175)	(102,341,566)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(283,460,635)</b>	<b>(536,722,901)</b>	<b>(573,144,990)</b>	<b>33,731,315</b>
<b>Net increase/(decrease) in cash</b>	<b>16,508,107</b>	<b>(14,980,291)</b>	<b>(130,379,169)</b>	<b>(5,318,248)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>(24,027,850)</b>	<b>36,552,806</b>	<b>183,726,824</b>	<b>7,960,933</b>
<b>Cash at end of the financial year</b>	<b>(7,519,743)</b>	<b>21,572,515</b>	<b>53,347,655</b>	<b>2,642,685</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	35,918,035	34,888,653	20,707,976	2,613,911
Cash received during the financial year for bond interest income	8,545,255	–	–	–
Cash received during the financial year for bank interest income	3,437,987	147,240	11,395,618	300,409
Cash paid during the financial year for interest expense	–	94,840	179	(17)
	<b>47,901,277</b>	<b>35,130,734</b>	<b>32,103,773</b>	<b>2,914,303</b>

The accompanying notes form an integral part of these financial statements.



Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Value Opportunities Fund GBP	Total US\$
(12,304,285)	(1,113,534,309)	(17,912,334,056)	(393,203,863)	(464,926,664)	(16,877,084)	(506,328,923)	(12,225,079,108)
43,261,693	1,350,041,103	13,485,619,344	582,697,983	327,751,996	18,830,933	749,753,141	14,094,129,561
(69,251)	(6,386,970)	1,402,951,448	1,724,618	(77,889)	(1,592)	4,554	(263,415,148)
–	–	–	–	–	–	–	(36,861,289)
64,290	4,928,414	861,487,989	8,233,305	1,873,306	143,513	40,079,549	229,951,905
(698,442)	(17,066,178)	(412,728,874)	(7,872,002)	(2,828,402)	(172,912)	(7,380,533)	(194,377,370)
30,254,005	217,982,060	(2,575,004,149)	191,580,041	(138,207,653)	1,922,858	276,127,788	1,604,348,551
–	–	(362,736,289)	–	–	–	(20,017,562)	(82,138,290)
–	–	11,954,305	(122,644)	4	(607)	(7,857,841)	(28,297,487)
3,271,428	293,523,010	13,013,162,964	85,626,633	198,401,539	4,332,874	259,133,134	4,650,320,092
(34,059,634)	(497,272,477)	(10,464,752,802)	(282,897,853)	(58,910,536)	(6,217,253)	(536,413,833)	(6,446,970,306)
(30,788,206)	(203,749,467)	2,197,628,178	(197,393,864)	139,491,007	(1,884,986)	(305,156,102)	(1,907,085,991)
(534,201)	14,232,593	(377,375,971)	(5,813,823)	1,283,354	37,872	(29,028,314)	(302,737,440)
–	–	–	–	–	–	–	84,263,041
804,410	741,375	313,303,553	13,904,289	723,350	21,992	47,433,491	409,912,026
270,209	14,973,968	(64,072,418)	8,090,466	2,006,704	59,864	18,405,177	191,437,627
60,257	6,201,524	866,224,395	7,803,506	1,754,567	136,960	38,974,303	208,045,832
–	–	–	–	–	–	–	5,700,397
4,010	(129,512)	–	430,353	120,277	6,582	1,105,475	17,300,473
23	(1,143,598)	(4,736,406)	(554)	(1,538)	(29)	(229)	(1,094,797)
64,290	4,928,414	861,487,989	8,233,305	1,873,306	143,513	40,079,549	229,951,905



## Comparative Statement of Cash Flows

For the financial year ended 31 December 2022

As at 31 December 2022

	Asian Opportunities* Fund US\$	Asian Stars Fund US\$	Automation & Artificial Intelligence Fund US\$	Biotechnology Fund US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	–	(69,449,153)	(201,695,639)	(1,247,893,688)
Proceeds from sale of financial assets	–	59,611,905	345,788,450	1,303,979,961
Inflow/(outflow) from forward foreign currency contracts and futures	–	253,811	(747,043)	(17,996,605)
Decrease/(increase) in margin accounts	–	–	–	–
Dividends and interest received	7	1,690,707	6,338,434	2,876,596
Operating expenses paid	(599)	(2,586,172)	(4,857,599)	(27,658,375)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(592)</b>	<b>(10,478,902)</b>	<b>144,826,603</b>	<b>13,307,889</b>
<b>Cash flows from financing activities</b>				
Distributions	–	–	–	–
Income equalisation	–	67,832	(752,191)	–
Proceeds from redeemable participating shares	–	43,799,948	32,817,562	530,314,083
Redemptions of redeemable participating shares	–	(30,565,976)	(186,675,049)	(500,404,852)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>–</b>	<b>13,301,804</b>	<b>(154,609,678)</b>	<b>29,909,231</b>
<b>Net (decrease)/increase in cash</b>	<b>(592)</b>	<b>2,822,902</b>	<b>(9,783,075)</b>	<b>43,217,120</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>14,913</b>	<b>2,707,513</b>	<b>17,264,656</b>	<b>10,138,766</b>
<b>Cash at end of the financial year</b>	<b>14,321</b>	<b>5,530,415</b>	<b>7,481,581</b>	<b>53,355,886</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	–	1,670,430	6,263,686	2,547,967
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	7	20,326	80,046	330,151
Cash paid during the financial year for interest expense	–	(49)	(5,298)	(1,522)
	7	1,690,707	6,338,434	2,876,596

\* Asian Opportunities Fund terminated on 01 March 2021.

\*\* Emerging Markets Income Fund merged with the Emerging Market Stars Fund on 08 June 2021.



China Stars Fund US\$	Emerging Markets Income** Fund US\$	Emerging Market Stars Fund US\$	European (ex UK) Income Fund EUR	Financial Opportunities Fund US\$	Global Absolute Return Fund US\$	Global Convertible Fund US\$	Global Insurance Fund GBP
(16,288,873)	–	(546,050,293)	(64,836,407)	(26,711,786)	(437,547,632)	(1,828,332,285)	(481,470,841)
13,116,429	–	406,909,881	61,011,436	26,536,044	387,831,422	2,141,751,444	150,048,158
(50,618)	–	(109,478)	(49,392)	71,216	5,226,968	(174,120,734)	466,507
6,461	–	–	–	–	(1,444,063)	(27,208,750)	–
410,757	214	13,403,070	5,903,947	605,113	5,777,057	44,330,087	34,486,045
(186,259)	(68,283)	(16,283,927)	(2,222,726)	(378,778)	(1,324,280)	(8,684,561)	(22,230,039)
(2,992,103)	(68,069)	(142,130,747)	(193,142)	121,809	(41,480,528)	147,735,201	(318,700,170)
–	–	–	(3,663,852)	(392,335)	–	(30,049,611)	(15,209,695)
37,242	–	21,985	(315,418)	(22,986)	119,472	(7,590,275)	1,843,198
7,683,001	–	360,990,971	59,368,701	10,191,436	60,441,612	397,389,579	858,160,843
(5,266,547)	–	(207,355,234)	(55,361,761)	(10,179,988)	(17,219,185)	(479,220,020)	(495,328,668)
2,453,696	–	153,657,722	27,670	(403,873)	43,341,899	(119,470,327)	349,465,678
(538,407)	(68,069)	11,526,975	(165,472)	(282,064)	1,861,371	28,264,874	30,765,508
–	–	–	–	–	–	–	–
986,829	126,438	25,601,477	(2,476,589)	1,447,277	(5,477,225)	(52,292,724)	5,787,298
448,422	58,369	37,128,452	(2,642,061)	1,165,213	(3,615,854)	(24,027,850)	36,552,806
409,407	–	13,233,192	5,920,323	601,392	5,400,341	37,245,600	34,426,949
–	–	–	–	–	(171,741)	3,800,948	–
964	214	169,944	(268)	3,680	540,221	3,283,539	59,634
386	–	(66)	(16,108)	41	8,236	–	(538)
410,757	214	13,403,070	5,903,947	605,113	5,777,057	44,330,087	34,486,045



## Comparative Statement of Cash Flows continued

For the financial year ended 31 December 2022

As at 31 December 2022

	Global Technology Fund US\$	Healthcare Blue Chip Fund US\$	Healthcare Discovery Fund US\$	Healthcare Opportunities Fund US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(4,607,347,437)	(219,479,044)	(25,342,788)	(750,559,398)
Proceeds from sale of financial assets	6,233,438,842	128,461,153	41,827,468	945,473,275
(Outflow)/inflow from forward foreign currency contracts and futures	(53,924,150)	98,737	(20,632)	(2,316,437)
Decrease/(increase) in margin accounts	14,322,512	–	–	100
Dividends and interest received	32,176,738	1,537,493	71,034	8,825,240
Operating expenses paid	(87,037,119)	(1,268,624)	(1,181,035)	(23,275,536)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,531,629,386</b>	<b>(90,650,285)</b>	<b>15,354,047</b>	<b>178,147,244</b>
<b>Cash flows from financing activities</b>				
Distributions	–	(639,215)	–	–
Income equalisation	–	662,585	–	–
Proceeds from redeemable participating shares	632,814,799	120,681,585	5,000,229	264,781,375
Redemptions of redeemable participating shares	(2,385,736,971)	(26,654,173)	(23,586,984)	(509,798,564)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(1,752,922,172)</b>	<b>94,050,782</b>	<b>(18,586,755)</b>	<b>(245,017,189)</b>
<b>Net (decrease)/increase in cash</b>	<b>(221,292,786)</b>	<b>3,400,497</b>	<b>(3,232,708)</b>	<b>(66,869,945)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>405,019,610</b>	<b>4,560,436</b>	<b>4,037,118</b>	<b>67,611,320</b>
<b>Cash at end of the financial year</b>	<b>183,726,824</b>	<b>7,960,933</b>	<b>804,410</b>	<b>741,375</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	30,624,577	1,496,848	64,786	8,921,038
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	1,554,099	40,701	6,066	34
Cash paid during the financial year for interest expense	(1,938)	(56)	182	(95,832)
	32,176,738	1,537,493	71,034	8,825,240

\* UK Absolute Equity Fund terminated on 15 May 2020.

The accompanying notes form an integral part of these financial statements.



Income Opportunities Fund GBP	Japan Value Fund JPY	North American Fund US\$	Smart Energy Fund US\$	Smart Mobility Fund US\$	UK Absolute Equity Fund* GBP	UK Value Opportunities Fund GBP	Total US\$
(26,805,302)	(11,606,863,387)	(400,671,431)	(261,646,435)	(26,815,029)	–	(568,942,383)	(12,155,693,989)
27,956,121	12,634,249,321	600,297,665	148,430,662	21,210,085	–	873,058,794	14,243,213,536
2,284,755	1,289,951,403	(12,569,856)	33,331	14,371	–	53,921	(312,546,101)
(643,950)	–	–	–	–	–	–	(24,046,185)
2,749,481	737,736,384	7,999,122	514,165	73,890	(48)	42,781,692	210,678,225
(871,306)	(342,710,464)	(9,569,322)	(811,821)	(141,586)	87,887	(9,700,162)	(232,129,361)
4,669,799	2,712,363,257	185,486,178	(113,480,098)	(5,658,269)	(87,935)	337,251,862	1,729,476,125
(801,548)	–	–	–	–	–	(18,820,910)	(78,025,113)
(345,368)	(28,757,131)	–	1,056	–	–	(5,198,280)	(12,584,919)
4,490,970	5,505,533,546	137,106,179	124,762,581	6,458,968	–	301,637,394	4,280,604,792
(15,733,532)	(7,950,827,712)	(336,338,968)	(10,947,138)	(1,041,867)	–	(609,653,164)	(6,238,062,731)
(12,389,478)	(2,474,051,297)	(199,232,789)	113,816,499	5,417,101	–	(332,034,960)	(2,048,067,971)
(7,719,679)	238,311,960	(13,746,611)	336,401	(241,168)	(87,935)	5,216,902	(318,591,846)
–	–	–	–	–	–	–	142,186,148
9,817,635	74,991,593	27,650,900	386,949	263,160	87,935	42,216,589	586,317,724
2,097,956	313,303,553	13,904,289	723,350	21,992	–	47,433,491	409,912,026
1,905,849	741,014,815	7,911,526	508,955	73,219	–	42,677,445	206,344,324
835,470	–	–	–	–	–	–	1,099,889
8,858	–	88,280	5,276	722	4	104,249	3,376,278
(696)	(3,278,431)	(684)	(66)	(51)	(52)	(2)	(142,266)
2,749,481	737,736,384	7,999,122	514,165	73,890	(48)	42,781,692	210,678,225



## Notes to the Financial Statements

For the financial year ended 31 December 2023

### 1. Organisation and nature of business

Polar Capital Funds plc (the 'Company') is an open-ended investment company with variable capital and segregated liability between its sub-funds (the 'Funds'), organised under the laws of Ireland. The Company has been authorised by the Central Bank of Ireland (the 'Central Bank') as an Undertaking for Collective Investment in Transferable Securities ('UCITS') pursuant to the UCITS Regulations and structured as an umbrella fund in that different sub-funds thereof may be established with the prior approval of the Central Bank. The redeemable participating shares of the Funds are no longer listed on the Euronext Dublin with effect from 18 August 2023. At 31 December 2023, the Company had twenty one active Funds, details of which are set out in the Company's prospectus and the Supplement to the Prospectus issued in respect of each Fund (a 'Fund Supplement').

The following Funds are available for subscription:

	Date of first issue of share class	Investment management fee	Performance fee
Artificial Intelligence Fund	06/10/2017	Up to 1.30%	10%
Asian Stars Fund	31/12/2018	Up to 1.25%	10%
Biotechnology Fund	31/10/2013	Up to 1.50%	10%
China Stars Fund	31/08/2018	Up to 1.25%	10%
Emerging Market ex-China Stars Fund	30/06/2023	Up to 1.50%	10%
Emerging Market Stars Fund	29/06/2018	Up to 1.50%	10%
European ex UK Income Fund	01/07/2015	Up to 1.50%	–
Financial Credit Fund	30/03/2012	Up to 1.25%	10%
Financial Opportunities Fund	03/05/2011	Up to 1.50%	10%
Global Absolute Return Fund	31/12/2018	Up to 1.00%	15%
Global Convertible Fund	30/08/2013	Up to 1.50%	10%
Global Insurance Fund	27/05/2011	Up to 1.25%	10%
Global Technology Fund	22/10/2001	Up to 1.50%	10%
Healthcare Blue Chip Fund	11/09/2014	Up to 1.35%	10%
Healthcare Discovery Fund	31/01/2020	Up to 1.00%	10%
Healthcare Opportunities Fund	03/12/2007	Up to 1.50%	10%
Japan Value Fund	01/11/2012	Up to 1.35%	10%
North American Fund	14/11/2011	Up to 1.25%	–
Smart Energy Fund	30/09/2021	Up to 1.50%	–
Smart Mobility Fund	30/09/2021	Up to 1.50%	–
UK Value Opportunities Fund	31/01/2017	Up to 1.35%	10%

The Company has two additional Funds, Asian Opportunities Fund and Emerging Markets Income Fund which are dormant following termination. An application for revocation of their authorisation has been made to the Central Bank.

For each Fund, share classes are available to both Institutional and Retail investors to which different fee rates may apply. For further information regarding the investment management fee and performance fee relating to each Fund please refer to the Prospectus and the relevant Fund Supplement.



The following table summarises the investment objective and policies for each active Fund, details of which are set out in the relevant Fund Supplement. Investors should note that there can be no guarantee that any Fund will achieve its investment objective.

Fund Name	Investment Objective
<b>Artificial Intelligence Fund</b>	The investment objective of the Artificial Intelligence Fund (the Fund changed name on 22 June 2023 from Automation & Artificial Intelligence Fund to Artificial Intelligence Fund) 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. The Fund is not expected to invest more than 20% of its Net Asset Value in emerging markets. The securities in which the Fund will primarily invest will include equity and equity related securities including, but not limited to, ordinary and preference shares and financial derivative instruments. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Asian Stars Fund</b>	The investment objective of the Asian Stars Fund is to achieve medium to long term growth and to primarily invest in a diversified portfolio of equity securities and equity related securities of, or relating to companies which are domiciled, or exercise the predominant part of their economic activity, in Asian developed and emerging markets. The Fund will generally not invest more than 30% of its Net Asset Value in securities issued by companies in Japan or outside Asia (such as Australia or New Zealand). The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Biotechnology Fund</b>	The investment objective of the Biotechnology Fund is to preserve capital and achieve long-term capital appreciation. The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of biotechnology, diagnostics and life sciences tools companies and will invest in transferable securities including shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by biotechnology, diagnostics and life sciences tools companies. The Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to biotechnology companies. The Fund may invest in unlisted securities subject to a limit of 10% of its Net Asset Value in unlisted securities. The Fund will seek to outperform the NASDAQ Biotechnology Index. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>China Stars Fund</b>	The investment objective of the China Stars Fund is to achieve long-term capital growth by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in The Peoples' Republic of China, Hong Kong and Taiwan (together 'Greater China'). The Fund is not expected to invest more than 40% of its Net Asset Value in securities issued by companies outside of Greater China. The securities in which the Fund will invest will include transferable securities, to include shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund's investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Emerging Market ex-China Stars Fund</b>	The investment objective of the Emerging Market ex-China Stars Fund is to achieve long term capital growth. The Fund will seek to achieve its investment objection by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in emerging markets excluding China ('Emerging Markets'). The Fund is not expected to invest more than 30% of its Net Asset Value in securities issued by companies outside of the Emerging Markets. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Emerging Market Stars Fund</b>	The investment objective of the Emerging Market Stars Fund is to achieve long term capital growth. The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in emerging markets. The Fund is not expected to invest more than 30% of its Net Asset Value in securities issued by companies outside of the emerging markets. The securities in which the Fund will invest will include transferable securities, such as shares, equities, equity warrants, preferred shares, and shares in collective investment schemes. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 1. Organisation and nature of business continued

Fund Name	Investment Objective
<b>European ex UK Income Fund</b>	The investment objective of the European ex UK Income Fund is to deliver strong long term risk adjusted returns to achieve both income and capital growth by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part greater than 20% of their economic activities in European markets/countries excluding the United Kingdom. It is anticipated to target an overall yield of 10% higher than that of the Index (MSCI Daily Net Total Return Europe ex UK EUR); however, this cannot be guaranteed. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Financial Credit Fund</b>	The Fund changed its name and investment strategy on 29 December 2023 from the Income Opportunities Fund to the Financial Credit Fund. The investment objective of the Financial Credit Fund is to provide an attractive level of income. In order to achieve its objective the Fund will invest primarily in the senior and subordinated debt securities of financial companies globally. The types of securities that the Fund can invest in include senior secured debt, senior unsecured debt, including senior preferred and senior non-preferred securities, Tier 1 debt, Tier 2 debt, Tier 3 debt, Additional Tier 1 debt (AT1) and Restricted Tier 1 debt (RT1) both of which are also known as CoCos or Contingent Convertible Bonds, Core Capital Deferred Shares, preference shares, perpetual preferred stock, trust preferred securities, convertible loan stock, government bonds, including supra-national or municipality bonds, exchange traded funds (ETFs), exchange traded notes, business development companies and investment companies. Investment in Additional Tier 1 debt (AT1) and Restricted Tier 1 debt (RT1) shall not exceed 20% of the net assets of the Fund. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Financial Opportunities Fund</b>	The investment objective of the Financial Opportunities Fund is to achieve long term capital growth, and in order to achieve its objective the Fund will invest in the securities of financial sector companies and companies related to the financial sector worldwide. These companies primarily include commercial and investment banks, life and non-life insurance and reinsurance companies, asset management and brokerage companies. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Global Absolute Return Fund</b>	The investment objective of the Global Absolute Return Fund is to deliver capital growth over rolling 12-month periods, in all market conditions. There is no guarantee the Fund will achieve this objective over any given period. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Global Convertible Fund</b>	The investment objective of the Global Convertible Fund is to generate both income and long term capital growth by investing in a diversified portfolio of convertible bonds (the underlying of which will be equity securities) and financial derivative instruments. Such securities will be listed and/or traded on a Recognised Exchange. The Fund will have a global geographical focus, and may invest more than 20% of its Net Asset Value in emerging markets. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Global Insurance Fund</b>	The investment objective of the Global Insurance Fund is to provide an attractive total return irrespective of broader economic and financial market conditions. In order to achieve its investment objective the Fund will invest primarily in securities of insurance related companies worldwide. These companies include insurance and reinsurance companies, life assurance companies, insurance brokerage companies and other insurance related businesses including, but not limited to, insurance claims administration companies, insurance support service companies and companies that own insurance related assets. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Global Technology Fund</b>	The investment objective of the Global Technology Fund is long term capital appreciation by way of investing in a globally diversified portfolio of technology companies. Although the Fund may receive income in the form of dividends, interest and from other sources, income is not a primary consideration. The Fund will invest at least two thirds of its net asset value in technology-related companies worldwide. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or single country. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.



Fund Name	Investment Objective
<b>Healthcare Blue Chip Fund</b>	The investment objective of the Healthcare Blue Chip Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of healthcare companies. The Fund will invest in transferable securities including, shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by healthcare companies, to include, but not limited to, pharmaceutical, biotechnology, medical device and healthcare services companies. The Healthcare Blue Chip Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to healthcare companies. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Healthcare Discovery Fund</b>	The investment objective of the Healthcare Discovery Fund is to achieve long term capital appreciation by way of investing in a globally diversified portfolio of healthcare companies which may be listed on traded on a Regulated Market. The securities in which the Fund will primarily invest will include equity and equity related securities including, but not limited to, ordinary and preference shares and financial derivative instruments. The Fund will typically invest in small capitalisation issues depending on market liquidity and as it judges the available opportunities. The Fund will take a geographically diversified approach. There are no specified limits on investing in any geographical region or in any sub-sector of healthcare. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Healthcare Opportunities Fund</b>	The investment objective of the Healthcare Opportunities Fund is to preserve capital and achieve long term capital appreciation by investing in a globally diversified portfolio of healthcare companies. The Fund will seek to outperform the MSCI Global Healthcare Index whilst striving to limit the volatility of the Fund's returns. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or in any sub-sector of healthcare. Non-healthcare related securities will not exceed one third of the Fund's total assets. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Japan Value Fund</b>	The investment objective of the Japan Value Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers that exercise a significant part of their economic activities in Japan or are organised under the laws of Japan. The Fund intends to primarily invest its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. Investment will primarily be concentrated in securities listed on the Tokyo Stock Exchange, however, the Fund may also, to a limited extent, invest in securities listed on regional Japanese exchanges. In addition, the Fund may also, to a limited extent, invest in securities listed and/or traded globally on Regulated Markets which securities provide exposure to the Japanese market. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>North American Fund</b>	The investment objective of the North American Fund is to achieve long term capital appreciation. The Fund invests in a diversified portfolio of securities of North American companies. The Investment Manager will invest in large, medium and small capitalisation companies depending on market liquidity and as it judges the available opportunities. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
<b>Smart Energy Fund</b>	The investment objective of the Smart Energy Fund is to provide long-term capital growth. The Fund invests in a global portfolio of selected publicly listed companies with exposure to the themes of smart energy, with at least 51% of its gross assets invested on a continuous basis in Equity Participations. Investments will be made in transferable securities including, but not limited to, shares, equity warrants and other types of securities such as preferred shares, which will be listed on a Regulated Market, and issued by companies, and Global, American and European depository receipts. This Fund has a sustainable investment objective and is classified as an Article 9 fund under the SFDR.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 1. Organisation and nature of business continued

Fund Name	Investment Objective
<b>Smart Mobility Fund</b>	The investment objective of the Smart Mobility Fund is to provide long-term capital growth. The Fund invests in a global portfolio of selected publicly listed companies with exposure to the themes of smart mobility, with at least 51% of its gross assets invested on a continuous basis in Equity Participations. Investments will be made in transferable securities including, but not limited to, shares, equity warrants and other types of securities such as preferred shares, which will be listed on a Regulated Market, and issued by companies, and Global, American and European depository receipts. This Fund has a sustainable investment objective and is classified as an Article 9 fund under the SFDR.
<b>UK Value Opportunities Fund</b>	The investment objective of UK Value Opportunities Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities listed in the UK. The securities in which the Fund will invest will primarily include equity securities including, but not limited to ordinary and preference shares and equity warrants. The Fund will aim to outperform the FTSE All-Share Total Return Index by investing in undervalued companies or shares, whilst striving to reduce the volatility of the Fund's return by investing in a diversified portfolio. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.

### 2. Material Accounting Policy Information

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

#### A. Basis of Preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'), with Irish Statute comprising the Companies Act 2014 and with the Central Bank UCITS Regulations.

The financial statements have been prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments in accordance with the relevant accounting standards. All other assets and liabilities are short term in nature and their carrying value approximates fair value. Redeemable participating shares are stated at redemption amount (redeemable participating shares).

The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Where applicable, information about assumptions and estimation uncertainties that have an impact on the financial statements are disclosed in note 2 (D) and note 10 and relate to the determination of fair value of financial instruments with significant unobservable inputs. As at 31 December 2023 and 31 December 2022, the Funds do not hold any financial instruments with significant unobservable inputs.

These financial statements are prepared on a going concern basis.

#### International Financial Reporting Standards

The Company has adopted all applicable International Financial Reporting Standards as endorsed by the European Union.

The Company classifies its redeemable shares as financial liabilities in accordance with IAS 32. The financial statements of the Company also include qualitative disclosure which indicates how the net asset value attributable to redeemable shareholders is calculated.

The combination of the above disclosures is considered, in this instance, to be sufficient to address the requirements of the amendments.



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### IFRIC interpretation 23 Uncertainty or Income Tax Treatment

On 7 June 2017, the International Accounting Standards Board issued IFRIC Interpretation 23 – uncertainty over Income Tax Treatments (the 'Interpretation'). The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over the income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its financial statements.

The accounting policies have been applied consistently by the Company.

### B. Swing pricing/dilution levy

A Fund may suffer dilution of the net asset value per share due to investors buying or selling shares in a Fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism has been adopted to protect the long-term interests of shareholders of the Funds. If, on any valuation date, the aggregate net capital activity of a Fund exceeds a pre-determined threshold, as established and reviewed by the Board of Directors of the Company, the net asset value per share will be adjusted upwards or downwards to reflect costs associated with the net capital inflows/(outflows) respectively.

The swing factor is impacted by three factors:

1. Adjustment for the spread between the bid and offer price of the underlying securities (currently a Fund will only swing to bid on material net redemptions).
2. An adjustment for broker fees and other market charges.
3. An adjustment for governmental taxes and duties payable on securities transactions

As a result of capital activity at the financial year end on the Financial Credit Fund and the UK Value Opportunities Fund, these Funds' net asset value per share at the financial year end were adjusted to reflect factors two and three above. The level of activity was not sufficiently material to justify applying factor one, or to require adjustment for any other Funds.

For financial reporting purposes, the net assets of each Fund at 31 December 2023 as disclosed in the Statement of Financial Position and Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares do not reflect any swing pricing or duties and charges adjustment. The net asset value per share at 31 December 2023 used for dealing purposes, which is shown in Note 9 and Note 12, includes any swing price adjustments.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 2. Material Accounting Policy Information continued

### B. Swing pricing/dilution levy continued

The following tables set out a reconciliation of the financial reporting net asset value per share and the dealing Net Asset Value per share for the two Funds affected:

Financial Credit Fund	Dealing NAV per share	Swing Pricing Adjustment	Financial Statements NAV per share
Class R Sterling Distribution	£1.48	£0.00	£1.48
Class R Sterling Accumulation	£3.00	£0.00	£3.00
Class I Sterling Distribution	£1.59	£0.00	£1.59
Class I Sterling Accumulation	£3.18	£0.00	£3.18
Class I Euro Accumulation	€3.66	€0.00	€3.66
Class I Euro Distribution	€1.83	€0.00	€1.83
Class I Euro Hedged Accumulation	€17.59	€0.01	€17.58
Class I Euro Hedged Distribution	€12.27	€0.01	€12.26
Class I US Dollar Accumulation	\$4.05	\$0.00	\$4.05
Class I US Dollar Distribution	\$2.02	\$0.00	\$2.02
Class R Euro Accumulation	€3.46	€0.00	€3.46
Class R Euro Distribution	€1.71	€0.00	€1.71
Class R Euro Hedged Accumulation	€16.93	€0.01	€16.92
Class R Euro Hedged Distribution	€11.81	€0.01	€11.80
Class R US Dollar Accumulation	\$3.82	\$0.00	\$3.82
Class R US Dollar Distribution	\$1.89	\$0.00	\$1.89
Class R US Dollar Hedged Accumulation	\$15.50	\$0.01	\$15.49
Class R US Dollar Hedged Distribution	\$11.42	\$0.01	\$11.41
Class S Euro Accumulation	€11.56	€0.01	€11.55
Class S Euro Distribution	€11.56	€0.01	€11.55
Class S Sterling Accumulation	£9.98	£0.01	£9.97
Class S Sterling Distribution	£9.98	£0.01	£9.97
Class S US Dollar Accumulation	\$12.60	\$0.01	\$12.59
Class S US Dollar Distribution	\$12.60	\$0.01	\$12.59

UK Value Opportunities Fund	Dealing NAV per share	Swing Pricing Adjustment	Financial Statements NAV per share
Class I Sterling Accumulation	£13.16	£0.01	£13.15
Class I Sterling Distribution	£11.92	£0.01	£11.91
Class R Sterling Accumulation	£10.88	£0.00	£10.88
Class S Sterling Accumulation	£13.27	£0.00	£13.27
Class S Sterling Distribution	£11.95	£0.00	£11.95
Class Z Sterling Accumulation	£12.13	£0.00	£12.13



## C. Foreign exchange translation

### (i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). The functional currency of each Fund is the currency that reflects the fact that the participating shares of the Fund have been subscribed in this currency and the Fund's investments are in currencies that are denominated in or economically linked to this currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. The presentation currency is the functional currency for each individual Fund and for the Company Total figures the presentation currency is US Dollars, denoted by the symbol USD.

The foreign currency translation adjustment of US\$228,564,699 (31 December 2022: US\$551,924,156) included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the foreign currency translation adjustment of US\$104,857,119 (31 December 2022: US\$142,186,149) included in the Statement of Cash Flows is due to the movement in exchange rates between 1 January 2023 and 31 December 2023 and the rate difference arising on the translation of the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares at average rates. The translation is in relation to the notional value for the Company only and has no impact on any individual Fund.

Proceeds from subscriptions and amounts paid on redemption of redeemable participating shares are translated at daily rates, which approximate the rates prevailing at the dates of the transactions.

## D. Investments at fair value

### (i) Classification of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or fair value through profit or loss (FVTPL). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI').

The Company's financial assets include equity investments, debt securities, investments in unlisted open-ended investment funds and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place, other than short term receivables held for collection and which meet the criteria for measurement at amortised cost.

The Company's financial assets and liabilities are measured as follows:

Financial Assets	Measurement
Equities	FVTPL
Debt securities	FVTPL
Investment funds	FVTPL
Financial derivative instruments	FVTPL
Cash and cash equivalents	Amortised cost
Other assets	Amortised cost
<b>Financial Liabilities</b>	
Financial derivative instruments	FVPTL
Other liabilities	Amortised cost
Net assets attributable to unitholders	Amortised cost



## 2. Material Accounting Policy Information continued

### D. Investments at fair value continued

#### (ii) Recognition and derecognition of financial liabilities

Purchases and sales of investments are recognised on trade date, which is the date on which the Company commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### (iii) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Other financial assets are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method. Financial liabilities arising from the redeemable participating shares issued by the Funds are carried at the redemption amount representing the investors' right to a residual interest in the Funds' assets.

#### Gains and losses on investments

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the period in which they arise.

Investment transactions are accounted for on a trade date basis. Profits and losses on the disposal of investments are calculated by reference to the net proceeds received on disposal and the cost attributable to those investments based on the first in first out basis and are included in the Statement of Comprehensive Income.

#### (iv) Fair value measurement principles

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the Statement of Financial Position date. The value of financial assets and liabilities which is quoted, listed or normally dealt in on a regulated market shall be the last traded price on such regulated market as at the valuation point or the mid-price, where no trades occurred on such day where relevant.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the value of any investment which is not quoted, listed or normally dealt in on a regulated market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such investment (approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary).

#### Investment funds

Holdings in open-ended investment funds are included in the accounts at the last reported NAV per share of the funds concerned at close of business on the last dealing day of the reporting period. The changes in the values of these holdings are recognised in the Statement of Comprehensive Income.

#### Contracts for difference and swaps

Contracts for difference and equity swaps are agreements between the Company and third parties which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. The changes in contract values are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on contracts for difference and equity swaps are recognised in the Statement of Comprehensive Income.



## Futures

A futures contract is an agreement between two parties to buy or sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Company each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on futures contracts are recognised in the Statement of Comprehensive Income.

## Forward foreign currency contracts

A forward foreign currency contract ('FFCC') involves an obligation to purchase or sell a specific currency at a future date at a price set at the time the contract is made. FFCCs will be valued by reference to the forward price at which a new FFCC of the same size and maturity could be undertaken at the valuation date. The realised and unrealised gain or loss on an open FFCC is calculated as the difference between the contract rate and the FFCC price and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on FFCCs are recognised in the Statement of Comprehensive Income. Where a FFCC is purchased to hedge the currency risk of a specific class which is issued in a currency other than the measurement currency of the Company, all gains or losses on that contract are allocated to that class.

## Options

As part of the Company's investment strategy for certain Funds, it enters into options which are recognised in the Statement of Financial Position at fair value. The premium on purchased put options exercised is subtracted from the proceeds of the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on purchased call options exercised is added to the cost of the securities or foreign currency purchased. Premiums paid on the purchase of options which expire unexercised are treated as realised losses. Option premiums on all written options are treated as income. Unrealised gains or losses on options are included in assets or liabilities on the Statement of Financial Position and movements are dealt with through the Statement of Comprehensive Income.

## Warrants

Warrants are sometimes used to gain exposure to emerging market equities where custody, liquidity, or other issues make direct ownership of the equities sub-optimal. The valuation of warrants depends on the level of trading. If the warrants are actively traded in the market then the market price is used. If the warrants are not actively traded in the market then the intrinsic value of the warrant based on the underlying equity price and the warrant strike price is used.

## Credit Default Swaps

The Funds may enter into credit default swap contracts where one party, the protection buyer, makes an upfront or periodic payment, depending on the contractual arrangement, to the counterparty, the protection seller, in exchange for the right to receive a payment, which may be fixed or related to the value of an underlying security, following a default or other credit event relating to the security or a specified reference index.

An upfront payment received by a Fund, as the protection seller, is recorded as an asset. An upfront payment made by a Fund, as a protection buyer, is recorded as a liability. Periodic payments received or paid by the Funds are disclosed as realised gains/(losses) and disclosed in the Net gain on financial assets and financial liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

Credit default swap contracts are marked to market at each valuation point and the change, if any, is recorded as a movement in unrealised gains/(losses). Payments received or made as a result of a credit event or termination of the contract are recognised, net of a proportional amount of the upfront payment, as realised gains/(losses). In addition to bearing the risk that the credit event will occur, a Fund may be unable to close out its positions at the same time or at the same price as if they had purchased comparable publicly traded securities. The counterparty may also default on its obligation to perform. Risks of loss may exceed amounts recognised on the Statement of Financial Position. Realised gains/(losses) and changes in unrealised gains/(losses) on credit default swaps are disclosed in Net gain on financial assets and financial liabilities at fair value through profit or loss in the Statement of Comprehensive Income.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 2. Material Accounting Policy Information continued

### E. Other measurement principles

#### Cash and bank overdrafts

Cash, other liquid assets and bank overdrafts are valued at their face value with interest accrued, where applicable. Cash at bank and bank overdraft balances are comprised of cash balances held with The Northern Trust Company (TNTC) and includes investors' money held in collection accounts.

#### Margin cash and margin receivable

Cash provided by the Funds to a counterparty in relation to futures and option contracts is identified in the Statement of Financial Position as Margin Cash. Margin Cash is not included as a component of cash and cash equivalents in the Statement of Financial Position and is not available to the Funds on demand.

Margin receivable or payable is held with UBS AG.

#### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at amortised cost plus transaction costs that are directly attributable to their acquisition.

#### Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between proceeds and amount payable is recognised over the period of the payable using the effective interest method.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Company has ISDA Master Agreements (the 'Agreements') with UBS AG. Under certain conditions, as set out under each agreement, amounts payable by one party to the other in respect of derivative contracts covered by the Agreement may be offset against any other amounts payable by the payee to the payer.

#### Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. Distributions on these redeemable participating shares are recognised in the Statement of Comprehensive Income as finance costs.

Redeemable participating shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable participating shares are carried at the present value of the redemption amount that is payable at the Statement of Financial Position date if the shareholders exercised their rights to put the shares back to the Company.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on the purchase and sale of bonds, forward foreign currency contracts, CFDs, investment funds and warrants are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

Transaction costs on purchases and sales of equities, futures and options are included in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income for each Fund. These costs are separately identifiable and are disclosed in Note 15.

#### Income Equalisation

Income equalisation is a process by which accrued income included in the price of shares purchased and redeemed during the accounting financial year is reported to Shareholders. The subscription price of Shares is deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Fund and the first distribution in respect of any Share will include a payment of income usually equal to or greater than the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the date of redemption. Income equalisation is classified as investment income in the Statement of Comprehensive Income.



## F. Distribution policy

The share classes of certain Funds have been approved by the United Kingdom HM Revenue and Customs as Reporting Funds in accordance with the UK Offshore Funds (Tax) Regulations 2009. The Directors intend to continue the distribution policy as outlined below unless otherwise specified in the relevant Fund Supplement. Dividends, if declared, will only be paid out of the Company's net investment income return (i.e. income from dividends, interest or otherwise, less the Company's accrued expenses to be certified for the accounting period), realised and unrealised profits on the disposal/revaluation of investments and other assets less realised and unrealised losses of the Company, although the amount available for distribution in respect of certain Funds may be effectively increased by the charging of expenses to capital. Funds which can avail of this facility are identified in the relevant Fund supplement.

Dividends will normally be paid in January of each financial year for all of the Funds except for the Distributing Share Classes of the Financial Opportunities Fund for which dividends will be paid in July and January and for the Distributing Share Classes of the European ex UK Income Fund, Global Convertible Fund, Global Insurance Fund and Financial Credit Fund for which dividends are to be declared at the beginning of each calendar quarter in respect of the preceding quarter, and paid by the end of the month in which they are declared. Any dividend paid on a redeemable participating share that is not claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited for the benefit of the Company.

## G. Operating expenses

The Company is responsible for all normal operating expenses including investment management fees, depositary fees, performance fees, administration fees, audit fees, stamp duties and accruals and other duties and charges incurred on the acquisition and realisation of investments. These are accounted for on an accruals basis. The Investment Managers, Polar Capital (Switzerland) AG and Polar Capital LLP ('the Investment Managers'), meet all other operating expenses incurred by them in connection with their services.

## H. Interest and dividend income

Interest income and expense is recognised in the Statement of Comprehensive Income for all the relevant instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of the financial asset or the financial liability and of allocating the interest income or expense over the relevant period.

Dividends are recognised to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as 'ex-dividend'. Dividend income is recorded gross of irrecoverable dividend withholding tax which is disclosed separately in the Statement of Comprehensive Income. Bank interest income is recognised on an accruals basis.

## 3. Fees and Expenses

The Manager is entitled to receive an annual management fee from the Company. This fee will not exceed 0.02% of the Net Asset Value of the Company. All fees paid to the Manager are disclosed separately in the Statement of Comprehensive Income. US\$168,461 (31 December 2022: US\$23,418) was due to the Manager at 31 December 2023.

The Investment Managers are entitled to receive an investment management fee and, where specified in the relevant Fund Supplement, a performance fee in respect of each Fund together with any extraordinary out of pocket expenses. The investment management fee is accrued daily and is payable monthly in arrears. Please see note 1 for a breakdown of investment management and performance fee rates for each Fund. Investment management fees are calculated before deduction for any accrued performance fees. An initial payment of the investment management fee based on the most recently published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

Performance fee calculation methods differ from Fund to Fund. In the method of calculation used for the majority of the Funds, the performance fee is calculated separately for each class of shares in a Fund and is equal to a percentage of the amount by which the increase in the Net Asset Value per share (prior to the provision for a performance fee) during the relevant performance period exceeds the increase in the Indexed Net Asset Value per share (the specific established index that the respective Fund is aiming to track) over the same period. However, the precise method of calculation may differ in each case. Full details are set out in each Fund Supplement. The performance fee is accrued daily and payable annually on 31 December, where there is a performance fee payable.

All fees paid to the Investment Managers, including any performance fees, are disclosed separately in the Statement of Comprehensive Income. US\$41,886,905 (31 December 2022: US\$24,510,483) was due to the Investment Managers at 31 December 2023, which includes both investment management and performance fees.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 3. Fees and Expenses continued

The Administrator is entitled to receive a fee of 0.09% of the first US\$1.5 billion of the Company's Net Asset Value, 0.07% of the next US\$3.5 billion of the Company's Net Asset Value, 0.04% of the next US\$5 billion of the Company's Net Asset Value and 0.02% of the next US\$5,000,000,000 of the Company's Net Asset Value, 0.015% of the next US\$5,000,000,000 of the Company's Net Asset Value and 0.01% of the Company's Net Asset Value thereafter, subject to a monthly minimum fee of US\$3,500 in respect of each Fund, which shall be accrued daily and paid monthly in arrears. The performance fee is calculated at a Company level and then prorated between the sub-funds on a daily basis by the Fund Accounting team as part of the daily NAV process.

The Administrator shall also be entitled to be repaid out of the assets of the Company or relevant Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Company (which shall include legal fees, couriers' fees and telecommunication costs and expenses).

The Depository is entitled to an annual fee from the Company accrued daily and paid monthly in arrears of 0.015% of the Fund's Net Asset Value first US\$10,000,000,000 of the Company's Net Asset Value, 0.01% of the next US\$5,000,000,000 of the Company's Net Asset Value, 0.005% of the next US\$5,000,000,000 of the Company's Net Asset Value and 0.0025% of the Company's Net Asset Value thereafter, subject to a monthly minimum fee of US\$1,200 in respect of each Fund, which shall be accrued daily and paid monthly in arrears. The Depository shall also be entitled to be repaid out of the assets of each Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Fund (such as telephone, postage, printing, legal and fax expenses) including stamp duties and registration fees and the fees and expenses of sub-custodians, at normal commercial rates.

BNP Paribas, Paris, Zurich branch also acts as the Swiss Representative and Swiss Paying Agent and for the financial year ended 31 December 2023 was entitled to receive the following fees for this service:

- (i) an annual fee of CHF 29,000;
- (ii) additional fees for extraordinary services which are not covered by the agreement and which are billed at CHF 250 per hour;
- (iii) reimbursement for all external costs, such as the publication of rates or other publication costs, charges levied by the Swiss Financial Market Supervisory Authority ('FINMA') and any amounts charged by external lawyers on behalf of the Company.

The European Facilities Agent, Zeidler Legal Process Outsourcing Limited, receives an annual fee from the Company which varies according to the number and category of country in which the Funds are registered for marketing purposes. The European Facilities Agent received a fee of EUR 12,750 during the year. The EU Facilities Agent is also entitled to receive reimbursement of any reasonable out of pocket expenses incurred by it in the performance of their duties.

The Directors fees are disclosed in the Statement of Comprehensive Income.

#### Auditor's Remuneration

The remuneration for all work carried out by the statutory auditors in respect of the financial year is as follows:

	2023 EUR	2022 EUR
Statutory audit fee	161,700	146,300
Other assurance services	–	–
Tax advisory services	–	–
Other non audit services	–	–
	161,700	146,300

The audit fee stated above is different to the Statement of Comprehensive Income due to the impact of opening and closing accruals and the movement in foreign exchange rates in the year. The fees are exclusive of VAT.

Amounts payable at the year-end to the Administrator, Depository, Directors, Auditors and other general expenses are included in sundry creditors on the Statement of Financial Position.



#### 4. Cash at Bank, Margin Cash and Bank Overdraft

Cash at bank, margin cash and bank overdraft balances are comprised of cash balances held at The Northern Trust Company, UBS and Goldman Sachs. The Company has an overdraft facility with The Northern Trust Company for liquidity purposes. The assets of the relevant Fund are held as collateral for the overdraft when it is utilised. As at the financial year end the following Funds had bank overdrafts:

	31 December 2023	31 December 2022
Artificial Intelligence Fund	US\$ Nil	US\$ 13,135
Asian Opportunities Fund	US\$ Nil	US\$ 1
Biotechnology Fund	US\$ Nil	US\$ 835,100
China Stars Fund	US\$ Nil	US\$ 167,012
Emerging Market ex-China Stars Fund	US\$ Nil	US\$ Nil
Emerging Market Stars Fund	US\$ Nil	US\$ Nil
Emerging Markets Income Fund	US\$ Nil	US\$ Nil
European ex UK Income Fund	EUR Nil	EUR 5,395,545
Financial Credit Fund	GBP Nil	GBP 29,370
Financial Opportunities Fund	US\$ Nil	US\$ Nil
Global Absolute Return Fund	US\$ Nil	US\$ 5,194,941
Global Convertible Fund	US\$ 7,519,743	US\$ 75,072,359
Global Insurance Fund	GBP 27,563,522	GBP 1,949,247
Global Technology Fund	US\$ 1,974,308	US\$ 1,386,966
Healthcare Blue Chip Fund	US\$ 357,456	US\$ Nil
Healthcare Discovery Fund	US\$ 55,375	US\$ 107,807
Healthcare Opportunities Fund	US\$ 26,937	US\$ 44,688,191
Japan Value Fund	JPY 64,072,418	JPY 106,847,493
North American Fund	US\$ Nil	US\$ 1,964,338
Smart Energy Fund	US\$ 1,928	US\$ 287,753
Smart Mobility Fund	US\$ 4,032	US\$ 3,266
UK Value Opportunities Fund	GBP Nil	GBP 55,923

#### 5. Soft Commissions and investment research

The Investment Managers have committed to the Company that they will bear the cost of all general written research consumed by their investment teams. For certain strategies where the consumption of specialised research is regarded as critical to the investment process, the Company will pay for such costs up to a level pre-agreed with the Directors. These costs are included on the Statement of Comprehensive Income. The Funds that paid for the cost of specialised research are listed below:

Artificial Intelligence Fund	Global Insurance Fund
Asian Stars Fund	Global Technology Fund
Biotechnology Fund	Healthcare Blue Chip Fund
China Stars Fund	Healthcare Discovery Fund
Emerging Market ex-China Stars Fund	Healthcare Opportunities Fund
Emerging Market Stars Fund	Japan Value Fund
Financial Credit Fund	Smart Energy Fund
Financial Opportunities Fund	Smart Mobility Fund
Global Absolute Return Fund	UK Value Opportunities Fund
Global Convertible Fund	

The Investment Managers received no soft commissions during the year.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 6. Exchange Rates

The exchange rates used at 31 December 2023 and 31 December 2022 were as follows:

Exchange Rate	31 December 2023 to US\$	31 December 2022 to US\$
Australian dollar	1.4655	1.4746
Brazilian real	4.8576	5.2798
Canadian dollar	1.3186	1.3550
Czech koruna	22.3496	22.6320
Danish krone	6.7484	6.9679
Egyptian pound	30.9250	24.7550
Euro	0.9053	0.9370
Hong Kong dollar	7.8086	7.8050
Hungary forint	346.0056	375.2167
Indian rupee	83.2138	82.7300
Indonesian rupiah	15,397.0000	15,567.5000
Japanese yen	140.9800	131.9450
Korean won	1,287.9000	1,264.5000
Malaysian ringgit	4.5950	4.4050
Mexican peso	16.9345	19.4873
Norwegian krone	10.1557	9.8510
Pakistani rupee	281.1250	226.3750
Philippine peso	55.3750	55.7275
Polish zloty	3.9323	4.3863
Qatari riyal	3.6410	3.6418
Romanian leu	4.5036	4.6361
Singapore dollar	1.3191	1.3412
South Africa rand	18.2875	17.0150
Sri Lanka rupee	323.7550	367.4850
Sterling	0.7844	0.8313
Swedish krona	10.0779	10.4195
Swiss franc	0.8417	0.9252
Taiwan dollar	30.6905	30.7355
Thai baht	34.1325	34.6350
Turkish lira	29.5340	18.7195
UAE dirham	3.6728	3.6727



Exchange Rate	31 December 2023 to EUR	31 December 2022 to EUR
Danish krone	7.4546	7.4364
Japanese yen	155.7336	140.8184
Norwegian krone	11.2185	10.5135
Sterling	0.8665	0.8872
Swedish krona	11.1325	11.1202
Swiss franc	0.9297	0.9874
United States dollar	1.1047	1.0673

Exchange Rate	31 December 2023 to GBP	31 December 2022 to GBP
Australian dollar	1.8683	1.7738
Brazilian real	6.1925	6.3510
Canadian dollar	1.6810	1.6299
Danish krone	8.6028	8.3816
Euro	1.1540	1.1271
Hong Kong dollar	9.9543	9.3886
Indian rupee	106.0810	99.5160
Indonesian rupiah	19,628.1150	18,726.1525
Japanese yen	179.7215	158.7167
Malaysian ringgit	5.8577	5.2988
Norwegian krone	12.9465	11.8498
Singapore dollar	1.6816	1.6133
South Africa rand	23.3129	20.4674
Swedish krona	12.8473	12.5336
Swiss franc	1.0729	1.1129
Thai baht	43.5122	41.6625
United States dollar	1.2748	1.2029

Exchange Rate	31 December 2023 to JPY	31 December 2022 to JPY
Euro	0.0064	0.0071
Sterling	0.0056	0.0063
Swiss franc	0.0060	0.0070
United States dollar	0.0071	0.0076

All exchange rates are official rates and come from quoted sources.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 7. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the 'TCA'). On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise if a 'chargeable event' occurs. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation, transfer or deemed disposal of shares for Irish tax purposes, arising as a result of holding shares in the Company for a period of eight years or more, or the appropriation or cancellation of shares of a shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (iv) transactions by a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided that a relevant declaration is in place (in accordance with Schedule 2b of the TCA) and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct; or
- (v) transactions by a shareholder who is an exempt Irish investor (as defined in Section 739D TCA).

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

During the financial year ended 31 December 2023, the following Funds were subject to Indian and Brazilian capital gain taxes on the sale of investments: Asian Stars Fund, Emerging Market ex-China Stars Fund, Emerging Market Stars Fund, Healthcare Blue Chip Fund, Healthcare Discovery Fund and Healthcare Opportunities Fund. Such charges are included in Net realised and unrealised gain/(loss) on investments in the Statement of Comprehensive Income.

### 8. Related Party Transactions

A number of the Directors held interests directly or indirectly in the Funds during the financial year. At the end of the year, their interests were as follows:

Director	Fund	Share Class	Number of Holdings 31 December 2023	Number of Holdings 31 December 2022
Charles Scott	Financial Credit Fund	Class I Sterling Accumulation	–	184,233
	Global Insurance Fund	Class R US Dollar Accumulation	69,977	69,977
David Astor	Financial Credit Fund	Class I Sterling Distribution	9,531	9,531
	Financial Opportunities Fund	Class I Sterling Distribution	4,685	4,685
	Japan Value Fund	Class S Hedged	1,125	1,125
Karen Nolan	Emerging Market Stars Fund	Class I Euro Accumulation	3,817	3,817
	Artificial Intelligence Fund	Class I Euro Accumulation	2,729	2,729

No other Director had any interest in the redeemable participating shares of the Company during the financial year.

The remuneration of the Directors of the Company may not, in the aggregate, exceed €1,000,000. Directors fees earned during the financial year ended 31 December 2023 and 31 December 2022 are disclosed in the Statement of Comprehensive Income.

The Manager of the Company is Bridge Fund Management Limited. Under the terms of the management agreement, the Manager is responsible for the general management and administration of the Funds' affairs and for ensuring compliance with the UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, the Manager has delegated its investment management functions to the Investment Managers and certain of its administration and transfer agency functions in respect of each Fund to the Administrator. The Manager receives fees in respect of its services as management company of the Funds.



The Investment Managers are entitled to receive an investment management fee and a performance fee from each Fund as set out in the relevant Fund Supplement. The investment management fee will be calculated as a percentage per annum of the Net Asset Value of each Fund (before deduction for any accrued performance fees) together with any extraordinary out of pocket expenses. Such fees will be accrued daily based on the daily Net Asset Value of the relevant Fund and will be paid monthly in arrears. Fee rates are disclosed in Note 1.

Polar Capital Partners Limited is a controlling partner of or ultimate parent of the Investment Managers. As at 31 December 2023 and 31 December 2022, Polar Capital Partners Limited held shares in the Funds listed below:

Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Artificial Intelligence Fund</b>		
Class I Euro Accumulation	519	117
Class I Sterling Accumulation	130	130
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	117	117
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	117	117
Class S Sterling Accumulation	572	259
Class S US Dollar Accumulation	100	100
Class Z Sterling Accumulation	100	100
<b>Asian Stars Fund</b>		
Class I Euro Accumulation	114	114
Class I Sterling Accumulation	127	127
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	114	114
Class R Sterling Accumulation	127	127
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	114	114
Class S Sterling Accumulation	4,844	6,522
Class S US Dollar Distribution	101	100
<b>Biotechnology Fund</b>		
Class I Euro Distribution	940	–
Class I Sterling Distribution	938	–
Class I Sterling Hedged Distribution	100	100
Class I US Dollar Distribution	285	–
Class S Euro Distribution	28,193	–
Class S Sterling Distribution	1,281	132



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>China Stars Fund</b>		
Class I Euro Accumulation	116	116
Class I Sterling Accumulation	1,060	130
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	116	116
Class R Sterling Accumulation	130	130
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	116	116
Class S Sterling Accumulation	130	130
Class S US Dollar Accumulation	842,035	841,581
<b>Emerging Market ex-China Stars Fund</b>		
Class I Euro Accumulation	109	–
Class I Sterling Accumulation	127	–
Class I US Dollar Accumulation	100	–
Class S Euro Accumulation	109	–
Class S Sterling Accumulation	127	–
Class S US Dollar Accumulation	100,000	–
Class X Euro Accumulation	109	–
Class X Swedish Krona Accumulation	9	–
Class X US Dollar Accumulation	100	–
<b>Emerging Market Stars Fund</b>		
Class I Euro Accumulation	12	12
Class I Sterling Accumulation	13	13
Class I US Dollar Accumulation	3,975	10
Class R Euro Accumulation	12	12
Class R Sterling Accumulation	13	13
Class R US Dollar Accumulation	10	10
Class R US Dollar Distribution	100	100
Class S Euro Accumulation	24	24
Class S Euro Distribution	117	116
Class S Sterling Accumulation	14,068	17,073
Class S US Dollar Accumulation	9	9
Class S US Dollar Distribution	100	100
Class SX Euro Accumulation	100	100
Class SX Sterling Accumulation	100	100
Class SX Sterling Distribution	100	100
Class SX US Dollar Accumulation	100	100
Class SX US Dollar Distribution	100	100



Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Emerging Market Stars Fund</b> continued		
Class X Euro Accumulation	113	113
Class X Swedish Krona Accumulation	11	11
Class X US Dollar Accumulation	100	100
<b>European ex UK Income Fund</b>		
Class I Euro Accumulation	103	103
Class I Sterling Distribution	195	188
Class I Sterling Hedged Accumulation	100	100
Class I Sterling Hedged Distribution	139	134
Class S Sterling Accumulation	141	141
Class S Sterling Hedged Accumulation	100	100
Class S Sterling Hedged Distribution	139	134
Class X Sterling Accumulation	100	100
Class X Sterling Distribution	119	115
Class Z Sterling Accumulation	100	–
Class Z Sterling Distribution	100	–
<b>Financial Credit Fund</b>		
Class I Euro Accumulation	414	414
Class I Euro Distribution	822	779
Class I Euro Hedged Accumulation	100	100
Class I Euro Hedged Distribution	142	134
Class I Sterling Accumulation	1,351	–
Class I US Dollar Accumulation	371	371
Class I US Dollar Distribution	738	700
Class R Euro Accumulation	424	424
Class R Euro Distribution	855	810
Class R Euro Hedged Accumulation	100	100
Class R Euro Hedged Distribution	143	135
Class R US Dollar Accumulation	381	381
Class R US Dollar Distribution	767	728
Class R US Dollar Hedged Accumulation	100	100
Class R US Dollar Hedged Distribution	133	126
Class S Euro Accumulation	87	–
Class S Euro Distribution	87	–
Class S Sterling Accumulation	100	–
Class S Sterling Distribution	100	–
Class S US Dollar Accumulation	78	–
Class S US Dollar Distribution	78	–



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Financial Opportunities Fund</b>		
Class I Euro Accumulation	11	11
Class I Euro Distribution	6	6
Class I US Dollar Accumulation	5	5
Class I US Dollar Distribution	6	6
Class R Euro Accumulation	10	10
Class R Euro Distribution	6	6
Class R Sterling Accumulation	17	17
Class R US Dollar Accumulation	11	11
Class R US Dollar Distribution	9	9
Class S Sterling Distribution	14	14
Class S US Dollar Distribution	11	10
<b>Global Absolute Return Fund</b>		
Class I Euro Hedged Accumulation	10	10
Class I JPY Hedged Accumulation	155	155
Class I JPY Hedged Distribution	164	155
Class I Sterling Hedged Accumulation	10	10
Class I Sterling Hedged Distribution	11	10
Class I US Dollar Accumulation	1,644	10
Class I US Dollar Distribution	11	10
Class S Euro Hedged Accumulation	10	10
Class S JPY Hedged Accumulation	155	155
Class S JPY Hedged Distribution	164	155
Class S Sterling Hedged Accumulation	80,337	80,000
Class S Sterling Hedged Distribution	11	10
Class S US Dollar Accumulation	10	10
<b>Global Convertible Fund</b>		
Class I Euro Hedged Accumulation	100	100
Class I Sterling Hedged Accumulation	164	–
Class I Swiss Franc Hedged Accumulation	50	50
Class Portfolio Currency Hedged Euro I Accumulation	20,500	20,500
Class Portfolio Currency Hedged Sterling I Distribution	1,345	1,266
Class Portfolio Currency Hedged Sterling S Distribution	120	113
Class Portfolio Currency Hedged Sterling Y Distribution	107	101
Class R Euro Distribution	202	190



Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Global Convertible Fund</b> continued		
Class R Sterling Accumulation	155	155
Class R Sterling Distribution	237	223
Class R US Dollar Accumulation	100	100
Class R US Dollar Distribution	153	144
Class S Euro Accumulation	137	137
Class S Euro Distribution	206	193
Class S Sterling Hedged Accumulation	100	100
Class S Sterling Hedged Distribution	148	140
Class S Swiss Franc Hedged Accumulation	50	50
Class S US Dollar Accumulation	100	100
Class S US Dollar Distribution	150	141
Class SI Sterling Accumulation	100	100
Class SI Sterling Distribution	107	101
Class Y Sterling Distribution	107	101
<b>Global Insurance Fund</b>		
Class F Sterling Accumulation	6,786	–
Class I Euro Accumulation	550	–
Class I Euro Distribution	54	54
Class I Euro Hedged Accumulation	100	100
Class Portfolio Currency Hedged I Euro Accumulation	100	100
Class Portfolio Currency Hedged I Sterling Distribution	101	100
Class Portfolio Currency Hedged I Swiss Franc Accumulation	100	100
Class I Hedged US Dollar Accumulation	100	100
Class I Sterling Accumulation	17,246	–
Class I US Dollar Distribution	4,252	–
Class R Euro Distribution	54	54
Class R US Dollar Distribution	38	37
<b>Global Technology Fund</b>		
Class I Euro Accumulation	11	11
Class I Euro Hedged Distribution	100	100
Class I Sterling Hedged Distribution	355	100
Class I Swiss Franc Hedged Distribution	3,565	100
Class I Sterling Distribution	1,393	58
Class R Euro Accumulation	11	11
Class R Euro Hedged Accumulation	100	100
Class R Swiss Franc Hedged Distribution	100	100



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Healthcare Blue Chip Fund</b>		
Class I Euro Accumulation	65	65
Class I Euro Distribution	70	69
Class I Euro Hedged Accumulation	100	100
Class I US Dollar Accumulation	2,665	–
Class I US Dollar Distribution	54	54
Class R Euro Accumulation	101	101
Class R US Dollar Accumulation	100	100
Class S Sterling Hedged Distribution	105	104
Class S US Dollar Accumulation	8	8
Class S US Dollar Distribution	54	54
Class SI Sterling Distribution	147	146
Class SI US Dollar Distribution	104	103
<b>Healthcare Discovery Fund</b>		
Class I Sterling Accumulation	132	132
Class I US Dollar Accumulation	100	100
Class S Sterling Accumulation	138,077	135,254
Class S US Dollar Accumulation	101	100
<b>Healthcare Opportunities Fund</b>		
Class I Euro Accumulation	15,270	100
Class I Euro Hedged Accumulation	101	100
Class I Sterling Distribution	792	–
Class I US Dollar Accumulation	1	23
Class I US Dollar Distribution	4,623	–
Class R Euro Accumulation	26	26
Class R US Dollar Accumulation	24	24
<b>Japan Value Fund</b>		
Class I Euro Accumulation	159	–
Class I Euro Distribution	1,039	1,038
Class I Euro Hedged Accumulation	100	–
Class I Euro Hedged Distribution	101	100
Class I Japanese Yen Accumulation	180	–
Class I Japanese Yen Distribution	1,416	1,415
Class I Sterling Distribution	1,169	1,168
Class I Sterling Hedged Distribution	101	100
Class I Swiss Franc Hedged Distribution	101	100
Class I US Dollar Accumulation	146	–



Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Japan Value Fund</b> continued		
Class I US Dollar Distribution	847	846
Class I US Dollar Hedged Accumulation	100	–
Class I US Dollar Hedged Distribution	101	100
Class R Euro Distribution	514	509
Class R Japanese Yen Distribution	121	120
Class R Sterling Distribution	580	575
Class R Sterling Hedged Distribution	1,301	1,288
Class R Swiss Franc Hedged Distribution	101	100
Class R US Dollar Distribution	81	80
Class R US Dollar Hedged Distribution	38	38
Class S Euro Distribution	975	960
Class S Euro Hedged Distribution	4,736	4,668
Class S Japanese Yen Distribution	2,392	364
Class S Sterling Distribution	8,334	667
Class S Sterling Hedged Distribution	8,929	–
Class S Swiss Franc Hedged Distribution	101	100
Class S US Dollar Distribution	837	825
Class S US Dollar Hedged Distribution	3,067	3,021
<b>North American Fund</b>		
Class I Swiss Franc Hedged Distribution	100	100
Class R Euro Hedged Distribution	100	100
Class S Euro Distribution	14	14
Class S Euro Hedged Distribution	100	100
Class S US Dollar Distribution	469	–
<b>Smart Energy Fund</b>		
Class I Euro Accumulation	60,860	116
Class I Sterling Accumulation	1,500	135
Class I Swedish Krona Accumulation	11	11
Class I Swiss Franc Accumulation	53,408	107
Class I US Dollar Accumulation	–	1,400,090
Class R Euro Accumulation	116	116
Class R Sterling Accumulation	135	135
Class R Swedish Krona Accumulation	11	11
Class R Swiss Franc Accumulation	107	107
Class R US Dollar Accumulation	100	100



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
<b>Smart Mobility Fund</b>		
Class I Euro Accumulation	55,815	116
Class I Sterling Accumulation	135	135
Class I Swedish Krona Accumulation	11	11
Class I Swiss Franc Accumulation	37,383	107
Class I US Dollar Accumulation	500,000	500,000
Class R Euro Accumulation	116	116
Class R Sterling Accumulation	135	135
Class R Swedish Krona Accumulation	11	11
Class R Swiss Franc Accumulation	107	107
Class R US Dollar Accumulation	100	100
<b>UK Value Opportunities Fund</b>		
Class I Sterling Accumulation	4,686	100
Class I Sterling Distribution	110	107
Class R Sterling Accumulation	100	100
Class S Sterling Accumulation	100	100
Class S Sterling Distribution	111	108
Class Z Sterling Accumulation	100	100

Partners, manager, employees and associated persons of the Investment Managers are the holders of the below shares in the Company. The number of Shares in a Fund owned by any of these persons individually is not considered to be a significant shareholding.

Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
Artificial Intelligence Fund	25,592	25,855
Asian Stars Fund	145,219	148,447
Biotechnology Fund	83,681	80,081
China Stars Fund	32,023	197,677
Emerging Market Stars Fund	57,887	58,983
European ex UK Income Fund	83,333	57,465
Financial Credit Fund	82,282	366,135
Financial Opportunities Fund	661	7,923
Global Absolute Return Fund	24,335	17,738
Global Convertible Fund	71,732	94,777
Global Insurance Fund	418,370	202,035
Global Technology Fund	33,014	34,899
Healthcare Blue Chip Fund	2,956	3,135
Healthcare Discovery Fund	8,394	3,730



Fund	Number of Shares 31 December 2023	Number of Shares 31 December 2022
Healthcare Opportunities Fund	10,018	40,180
Japan Value Fund	1,631,807	1,406,049
North American Fund	105,053	107,099
Smart Energy Fund	13,151	16,634
Smart Mobility Fund	476	4,606
UK Value Opportunities Fund	220,926	225,188

## 9. Shareholders' Funds

On incorporation, the authorised share capital of the Company was US\$40,000 divided into 40,000 Subscriber Shares with a par value of US\$1 each and 500,000,000,000 redeemable participating shares of no par value. There are 7 Subscriber Shares currently in issue which are held by Polar Capital LLP and its nominees. These subscriber shares do not participate in any of the Company's Funds and are not included as part of the net asset value of the Company. The Directors consider this treatment is appropriate, given the nature of the Company as an investment fund.

### Number of redeemable participating shares outstanding and net asset value per redeemable participating share

Artificial Intelligence Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	2,475,410	€17.26	1,520,131	€12.97
Class I Sterling Accumulation	7,010,624	£14.96	6,489,889	£11.51
Class I US Dollar Accumulation	3,074,790	\$19.07	3,057,973	\$13.84
Class R Euro Accumulation	1,519,342	€16.78	1,145,672	€12.67
Class R US Dollar Accumulation	1,593,273	\$18.53	1,558,588	\$13.52
Class S Euro Accumulation	35,403	€17.52	57,975	€13.12
Class S Sterling Accumulation	7,173,713	£15.18	9,209,112	£11.64
Class S US Dollar Accumulation	581,579	\$19.36	535,384	\$14.00
Class Z Sterling Accumulation	150	£19.79	2,237,600	£15.10

Asian Stars Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	54,506	€13.53	50,391	€12.93
Class I Sterling Accumulation	198,045	£11.73	202,567	£11.47
Class I US Dollar Accumulation	253,362	\$14.95	241,532	\$13.80
Class R Euro Accumulation	5,629	€13.22	4,179	€12.70
Class R Sterling Accumulation	127	£11.46	127	£11.26
Class R US Dollar Accumulation	3,608	\$14.60	1,528	\$13.55
Class S Euro Accumulation	8,627,404	€13.78	4,485,546	€13.12
Class S Sterling Accumulation	2,887,863	£11.94	1,552,230	£11.64
Class S US Dollar Accumulation	4,092,272	\$15.22	3,261,202	\$14.00
Class S US Dollar Distribution	60,101	\$7.65	30,100	\$7.08


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2023
**9. Shareholders' Funds** continued**Number of redeemable participating shares outstanding and net asset value per redeemable participating share** continued

<b>Biotechnology Fund</b>	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares</b>	<b>NAV/Share</b>	<b>Number of shares</b>	<b>NAV/Share</b>
Class I Euro Distribution	4,187,827	€40.04	4,657,487	€35.76
Class I Sterling Distribution	6,077,022	£34.69	6,194,276	£31.73
Class I Sterling Hedged Distribution	2,926,806	£17.67	2,689,119	£15.33
Class I US Dollar Distribution	11,386,120	\$44.23	15,334,092	\$38.17
Class R Euro Distribution	4,231,946	€38.32	4,636,414	€34.30
Class R Sterling Distribution	246,124	£33.20	242,514	£30.43
Class R US Dollar Distribution	8,910,005	\$42.33	9,600,112	\$36.61
Class S Euro Distribution	38,871	€41.16	14,364	€36.55
Class S Sterling Distribution	80,546	£35.67	76,773	£32.43
Class S US Dollar Distribution	218,891	\$45.47	173,339	\$39.01

<b>China Stars Fund</b>	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares</b>	<b>NAV/Share</b>	<b>Number of shares</b>	<b>NAV/Share</b>
Class I Euro Accumulation	16,560	€8.44	24,233	€10.54
Class I Sterling Accumulation	115,340	£7.32	133,851	£9.35
Class I US Dollar Accumulation	1,903	\$9.33	20,168	\$11.25
Class R Euro Accumulation	15,385	€8.26	19,700	€10.36
Class R Sterling Accumulation	130	£7.16	130	£9.19
Class R US Dollar Accumulation	19,739	\$9.12	19,739	\$11.06
Class S Euro Accumulation	116	€8.57	6,960	€10.66
Class S Sterling Accumulation	34,596	£7.43	486,687	£9.46
Class S US Dollar Accumulation	1,044,127	\$9.47	886,526	\$11.38

<b>Emerging Market ex-China Stars Fund</b>	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares</b>	<b>NAV/Share</b>	<b>Number of shares</b>	<b>NAV/Share</b>
Class I Euro Accumulation	109	€9.65	–	–
Class I Sterling Accumulation	645	£8.36	–	–
Class I US Dollar Accumulation	100	\$10.66	–	–
Class S Euro Accumulation	109	€9.66	–	–
Class S Sterling Accumulation	127	£8.37	–	–
Class S US Dollar Accumulation	100,000	\$10.67	–	–
Class X Euro Accumulation	109	€9.61	–	–
Class X Swedish Krona Accumulation	9	SEK 106.97	–	–
Class X US Dollar Accumulation	100	\$10.61	–	–



Emerging Market Stars Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	12,051,459	€11.01	8,729,857	€10.13
Class I Sterling Accumulation	2,257,636	£9.54	1,534,806	£8.99
Class I US Dollar Accumulation	2,143,961	\$12.16	1,291,413	\$10.82
Class R Euro Accumulation	124,074	€10.74	133,312	€9.94
Class R Sterling Accumulation	7,000	£9.30	14,222	£8.82
Class R US Dollar Accumulation	392,538	\$11.86	467,583	\$10.60
Class R US Dollar Distribution	100	\$7.99	100	\$7.15
Class S Euro Accumulation	3,091,460	€11.23	3,257,659	€10.31
Class S Euro Distribution	15,572	€8.35	15,378	€7.70
Class S Sterling Accumulation	10,552,262	£9.74	8,750,591	£9.14
Class S US Dollar Accumulation	9,512,018	\$12.41	8,691,247	\$11.00
Class S US Dollar Distribution	3,211,770	\$12.53	2,741,933	\$11.16
Class SX Euro Accumulation	100	€14.11	100	€12.96
Class SX Sterling Accumulation	5,932,619	£11.87	1,957,290	£11.18
Class SX Sterling Distribution	17,238,479	£8.18	15,357,994	£7.72
Class SX US Dollar Accumulation	14,863,381	\$14.21	17,095,345	\$12.62
Class SX US Dollar Distribution	9,162,772	\$7.56	10,106,618	\$6.74
Class X Euro Accumulation	962,588	€11.63	225,763	€10.79
Class X Swedish Krona Accumulation	24,059,268	SEK 129.48	14,102,733	SEK 120.01
Class X US Dollar Accumulation	5,909,061	\$12.85	4,781,280	\$11.52

European ex UK Income Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	359,522	€15.69	84,741	€13.87
Class I Sterling Accumulation	1,833,519	£13.50	652,058	£12.22
Class I Sterling Distribution	1,690,955	£9.79	336,331	£9.22
Class I Sterling Hedged Accumulation	127,050	£16.63	26,380	£14.49
Class I Sterling Hedged Distribution	179,084	£11.95	58,014	£10.84
Class S Sterling Accumulation	333,545	£13.64	860,882	£12.34
Class S Sterling Distribution	2,879,066	£9.88	4,023,745	£9.30
Class S Sterling Hedged Accumulation	26,337	£16.76	100	£14.59
Class S Sterling Hedged Distribution	38,952	£11.98	48,806	£10.86
Class X Sterling Accumulation	5,306	£12.84	2,639	£11.72
Class X Sterling Distribution	2,897,726	£10.76	4,362,347	£10.22
Class Z Sterling Accumulation	12,914,336	£10.35	–	–
Class Z Sterling Distribution	437,319	£10.35	–	–



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 9. Shareholders' Funds continued

Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

Financial Credit Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	51,897	€3.66	29,894	€3.36
Class I Euro Distribution	34,822	€1.83	779	€1.77
Class I Euro Hedged Accumulation	6,332	€17.59	8,457	€16.77
Class I Euro Hedged Distribution	142	€12.27	934	€12.35
Class I Sterling Accumulation	1,964,851	£3.18	7,954,271	£2.98
Class I Sterling Distribution	4,177,139	£1.59	4,927,988	£1.57
Class I US Dollar Accumulation	371	\$4.05	371	\$3.58
Class I US Dollar Distribution	232,209	\$2.02	250,636	\$1.89
Class R Euro Accumulation	3,198	€3.46	57,951	€3.18
Class R Euro Distribution	69,080	€1.71	69,036	€1.66
Class R Euro Hedged Accumulation	13,099	€16.93	75,807	€16.22
Class R Euro Hedged Distribution	95,328	€11.81	95,320	€11.99
Class R Sterling Accumulation	594,886	£3.00	892,095	£2.83
Class R Sterling Distribution	2,141,052	£1.48	3,138,447	£1.47
Class R US Dollar Accumulation	14,281	\$3.82	14,281	\$3.40
Class R US Dollar Distribution	756,653	\$1.89	701,407	\$1.77
Class R US Dollar Hedged Accumulation	242,791	\$15.50	361,003	\$14.56
Class R US Dollar Hedged Distribution	169,014	\$11.42	300,957	\$11.35
Class S Euro Accumulation	87	€11.56	–	–
Class S Euro Distribution	87	€11.56	–	–
Class S Sterling Accumulation	100	£9.98	–	–
Class S Sterling Distribution	100	£9.98	–	–
Class S US Dollar Accumulation	78	\$12.60	–	–
Class S US Dollar Distribution	78	\$12.60	–	–



Financial Opportunities Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	2,428	€15.34	2,604	€14.34
Class I Euro Distribution	135,787	€13.52	133,059	€12.92
Class I Sterling Accumulation	197,259	£13.30	358,506	£12.72
Class I Sterling Distribution	235,535	£11.71	315,820	£11.47
Class I US Dollar Accumulation	49,765	\$16.95	48,065	\$15.30
Class I US Dollar Distribution	704	\$14.93	599	\$13.79
Class R Euro Accumulation	7,077	€14.59	14,195	€13.70
Class R Euro Distribution	16,765	€12.75	16,732	€12.25
Class R Sterling Accumulation	9,299	£12.65	17,100	£12.16
Class R Sterling Distribution	6,410	£11.04	6,336	£10.86
Class R US Dollar Accumulation	13,982	\$16.12	13,982	\$14.63
Class R US Dollar Distribution	9	\$14.08	9	\$13.07
Class S Sterling Distribution	104,434	£10.77	208,815	£10.51
Class S US Dollar Distribution	127,678	\$13.73	230,862	\$12.64

Global Absolute Return Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Hedged Accumulation	4,651	€125.02	2,624	€121.55
Class I JPY Hedged Accumulation	155	¥979.97	155	¥989.93
Class I JPY Hedged Distribution	164	¥931.28	155	¥989.93
Class I Sterling Hedged Accumulation	31,264	£131.31	31,950	£126.57
Class I Sterling Hedged Distribution	20,728	£99.13	13,728	£100.66
Class I US Dollar Accumulation	17,357	\$136.59	23,628	\$131.06
Class I US Dollar Distribution	11	\$102.77	10	\$103.94
Class S Euro Hedged Accumulation	13,282	€126.37	54,344	€122.88
Class S JPY Hedged Accumulation	155	¥985.31	155	¥989.15
Class S JPY Hedged Distribution	164	¥935.06	155	¥989.15
Class S Sterling Hedged Accumulation	411,375	£133.05	202,957	£127.90
Class S Sterling Hedged Distribution	6,304	£99.42	308	£100.62
Class S US Dollar Accumulation	130,783	\$138.07	458,503	\$132.31

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

Global Convertible Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	99,379	€13.11	523,975	€12.63
Class I Euro Distribution	129,635	€8.52	197,342	€8.72
Class I Euro Hedged Accumulation	50,225	€10.32	81,075	€9.81
Class I Sterling Hedged Accumulation	2,911,876	£11.16	3,365,225	£10.46
Class I Sterling Hedged Distribution	1,981,341	£7.52	2,833,852	£7.49
Class I Swiss Franc Hedged Accumulation	54,050	Sfr. 9.66	81,300	Sfr. 9.39
Class I Sterling Accumulation	1,165,740	£11.36	1,366,652	£11.20
Class I Sterling Distribution	13,642,802	£7.38	15,515,086	£7.74
Class I US Dollar Accumulation	102,466	\$14.48	112,400	\$13.48
Class I US Dollar Distribution	223,345	\$9.41	225,205	\$9.31
Class Portfolio Currency Hedged Euro I Accumulation	78,916	€11.66	2,926,434	€11.00
Class Portfolio Currency Hedged Sterling I Distribution	3,767,749	£8.98	4,323,489	£8.92
Class Portfolio Currency Hedged Sterling S Distribution	17,842	£9.17	49,670	£9.05
Class Portfolio Currency Hedged Sterling Y Distribution	3,331,030	£9.83	4,455,164	£9.72
Class R Euro Accumulation	56,671	€12.52	64,995	€12.12
Class R Euro Distribution	53,888	€8.12	72,011	€8.35
Class R Sterling Accumulation	7,130	£10.85	7,543	£10.75
Class R Sterling Distribution	8,761	£7.03	8,747	£7.41
Class R US Dollar Accumulation	140	\$13.83	140	\$12.93
Class R US Dollar Distribution	153	\$8.97	12,832	\$8.91
Class S Euro Accumulation	16,337	€11.66	14,331	€11.19
Class S Euro Distribution	89,160	€7.76	153,980	€7.92
Class S Sterling Hedged Accumulation	36,716	£11.52	37,748	£10.75
Class S Sterling Hedged Distribution	811,381	£7.72	420,117	£7.67
Class S Swiss Franc Hedged Accumulation	50	Sfr. 9.95	50	Sfr. 9.64
Class S Sterling Accumulation	162,510	£10.10	150,380	£9.93
Class S Sterling Distribution	13,852,390	£6.73	18,746,640	£7.03
Class S US Dollar Accumulation	50,954	\$12.88	53,629	\$11.94
Class S US Dollar Distribution	318,884	\$8.57	477,207	\$8.45
Class SI Sterling Accumulation	55,956	£11.57	5,015,435	£11.39
Class SI Sterling Distribution	107	£9.59	101	£10.02
Class Y Sterling Distribution	6,272,983	£9.59	10,689,934	£10.00



Global Insurance Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class A Sterling Distribution	103,289	£7.31	191,332	£7.34
Class B Sterling Accumulation	924,967	£9.99	1,024,631	£9.90
Class E Sterling Distribution	64,914,620	£7.80	102,731,311	£7.79
Class F Sterling Accumulation	17,782,509	£10.74	23,852,097	£10.59
Class I Euro Accumulation	19,952,565	€12.02	24,108,388	€11.58
Class I Euro Distribution	774,016	€8.80	1,299,550	€8.58
Class I Euro Hedged Accumulation	410,120	€19.16	877,212	€19.19
Class Portfolio Currency Hedged I Euro Accumulation	1,665,936	€10.39	1,551,820	€9.95
Class Portfolio Currency Hedged I Sterling Distribution	476,066	£10.45	281,275	£9.97
Class Portfolio Currency Hedged I Swiss Franc Accumulation	2,141,065	Sfr. 10.18	1,931,377	Sfr. 9.94
Class I US Dollar Hedged Accumulation	152,473	\$21.62	60,758	\$21.24
Class I Sterling Accumulation	36,659,265	£10.41	39,682,580	£10.27
Class I Sterling Distribution	42,288,458	£7.62	49,399,070	£7.61
Class I US Dollar Accumulation	20,934,002	\$13.27	22,476,016	\$12.35
Class I US Dollar Distribution	3,599,111	\$9.72	3,344,464	\$9.16
Class R Euro Accumulation	2,080,447	€11.21	3,291,315	€10.86
Class R Euro Distribution	550,623	€8.28	658,345	€8.11
Class R Sterling Accumulation	499,484	£9.72	506,665	£9.63
Class R Sterling Distribution	2,617,120	£7.17	2,668,559	£7.20
Class R US Dollar Accumulation	3,334,493	\$12.39	4,689,640	\$11.59
Class R US Dollar Distribution	175,388	\$9.14	181,885	\$8.66

Global Technology Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class A Euro Distribution	160,696	€86.63	173,366	€58.57
Class A Sterling Distribution	221,547	£75.07	250,589	£51.96
Class A US Dollar Distribution	490,809	\$95.69	529,508	\$62.51
Class I Euro Accumulation	3,901,884	€13.59	2,624,770	€9.14
Class I Euro Distribution	3,557,954	€81.50	3,195,903	€54.83
Class I Hedged Euro Distribution	1,884,102	€23.33	4,155,317	€15.54
Class I Hedged Sterling Distribution	3,303,241	£34.68	4,827,161	£22.73
Class I Hedged Swiss Franc Distribution	2,352,598	Sfr. 32.79	2,574,095	Sfr. 22.28
Class I Sterling Distribution	16,594,779	£70.62	20,012,103	£48.64
Class I US Dollar Distribution	13,110,530	\$90.03	14,807,807	\$58.51
Class R Euro Accumulation	493,250	€13.37	265,094	€9.04
Class R Euro Distribution	4,857,016	€76.21	5,454,444	€51.52
Class R Hedged Euro Accumulation	5,521,635	€22.58	4,953,104	€15.11
Class R Hedged Euro Distribution	1,266,508	€33.30	1,460,186	€22.30
Class R Hedged Swiss Franc Distribution	806,739	Sfr. 31.55	788,644	Sfr. 21.55
Class R Sterling Distribution	530,361	£66.04	641,840	£45.71
Class R US Dollar Distribution	17,573,214	\$84.18	18,956,788	\$54.99

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

Healthcare Blue Chip Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	1,134,798	€17.75	120,011	€17.32
Class I Euro Distribution	12,687	€16.41	13,171	€16.16
Class I Euro Hedged Accumulation	100	€10.80	100	€10.42
Class I Sterling Accumulation	2,161,598	£15.38	2,021,107	£15.36
Class I Sterling Distribution	387,844	£14.22	386,638	£14.33
Class I US Dollar Accumulation	1,807,235	\$19.61	443,443	\$18.48
Class I US Dollar Distribution	5,540	\$18.13	6,348	\$17.24
Class R Euro Accumulation	5,690	€10.10	101	€9.90
Class R US Dollar Accumulation	100	\$11.15	40,716	\$10.56
Class S Sterling Accumulation	233,338	£15.58	254,270	£15.54
Class S Sterling Distribution	14,919	£14.41	73,344	£14.50
Class S Sterling Hedged Distribution	116,222	£16.75	115,104	£16.04
Class S US Dollar Accumulation	8	\$19.87	8	\$18.69
Class S US Dollar Distribution	54	\$18.37	54	\$17.45
Class SI Sterling Distribution	7,741,774	£12.82	7,311,588	£12.88
Class SI US Dollar Distribution	754,752	\$16.34	2,008,012	\$15.50

Healthcare Discovery Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Sterling Accumulation	128,281	£9.97	150,040	£9.80
Class I US Dollar Accumulation	127,634	\$12.71	535,747	\$11.79
Class S Sterling Accumulation	417,969	£10.11	1,733,689	£9.89
Class S US Dollar Accumulation	101	\$12.89	866,753	\$11.89

Healthcare Opportunities Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class A Euro Distribution	111,286	€41.67	141,033	€39.37
Class A Sterling Distribution	51,218	£36.11	76,493	£34.93
Class A US Dollar Distribution	153,764	\$46.03	164,471	\$42.02
Class I Euro Accumulation	1,241,727	€15.35	1,415,731	€14.43
Class I Euro Distribution	1,618,954	€64.27	1,736,139	€60.42
Class I Euro Hedged Accumulation	320,232	€14.58	431,924	€13.58
Class I Sterling Distribution	15,213,883	£55.69	17,303,794	£53.61
Class I US Dollar Accumulation	753,167	\$69.97	416,034	\$63.56
Class I US Dollar Distribution	1,682,825	\$70.99	2,545,123	\$64.48



Healthcare Opportunities Fund <i>continued</i>	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class R Euro Accumulation	79,531	€58.91	84,934	€55.66
Class R Euro Distribution	1,152,814	€59.86	1,322,813	€56.56
Class R Sterling Distribution	244,563	£51.87	237,145	£50.18
Class R US Dollar Accumulation	157,981	\$65.08	1,950,050	\$60.36
Class R US Dollar Distribution	1,826,618	\$66.13	137,365	\$59.41

Japan Value Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	159	€6.68	–	–
Class I Euro Distribution	1,039	€1.17	1,038	€1.01
Class I Euro Hedged Accumulation	100	€10.59	–	–
Class I Euro Hedged Distribution	101	€13.72	100	€10.47
Class I Japanese Yen Accumulation	180	¥1,045.45	–	–
Class I Japanese Yen Distribution	2,410,833	¥182.37	36,894	¥142.22
Class I Sterling Distribution	228,691	£1.01	167,669	£0.90
Class I Sterling Hedged Distribution	1,997	£14.49	3,851	£10.91
Class I Swiss Franc Hedged Distribution	1,501	Sfr. 15.34	100	Sfr. 11.96
Class I US Dollar Accumulation	146	\$7.39	–	–
Class I US Dollar Distribution	847	\$1.29	846	\$1.08
Class I US Dollar Hedged Accumulation	100	\$10.65	–	–
Class I US Dollar Hedged Distribution	46,495	\$15.40	42,069	\$11.55
Class R Euro Distribution	103,219	€2.32	105,955	€2.04
Class R Euro Hedged Distribution	1,839,628	€3.24	1,937,089	€2.48
Class R Japanese Yen Distribution	3,216,830	¥363.55	3,889,261	¥286.85
Class R Sterling Distribution	5,517	£2.02	2,575	£1.81
Class R Sterling Hedged Distribution	837,658	£2.76	1,380,239	£2.08
Class R Swiss Franc Hedged Distribution	125,713	Sfr. 15.15	159,826	Sfr. 11.81
Class R US Dollar Hedged Distribution	4,967,946	\$4.85	5,884,567	\$3.64
Class R US Dollar Distribution	142,553	\$2.57	182,426	\$2.18
Class S Euro Distribution	273,778	€2.48	164,902	€2.18
Class S Euro Hedged Distribution	865,007	€3.45	936,739	€2.64
Class S Japanese Yen Distribution	26,259,022	¥387.80	10,577,533	¥305.64
Class S Sterling Distribution	28,279,285	£2.15	32,601,138	£1.92
Class S Sterling Hedged Distribution	4,284,830	£2.95	5,276,161	£2.22
Class S Swiss Franc Hedged Distribution	103,026	Sfr. 15.55	112,473	Sfr. 12.11
Class S US Dollar Hedged Distribution	3,393,945	\$5.21	4,107,930	\$3.90
Class S US Dollar Distribution	5,470,096	\$2.74	5,314,985	\$2.32



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 9. Shareholders' Funds continued

## Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

North American Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Distribution	5,550	€35.37	10,022	€29.76
Class I Euro Hedged Distribution	25,375	€32.14	340,380	€26.75
Class I Sterling Hedged Distribution	478,114	£34.24	1,084,643	£28.00
Class I Swiss Franc Hedged Distribution	22,548	Sfr. 17.41	62,313	Sfr. 14.84
Class I Sterling Distribution	2,492,074	£30.65	3,115,431	£26.40
Class I US Dollar Distribution	7,945,530	\$39.08	9,446,509	\$31.76
Class R Euro Distribution	43,391	€32.99	52,054	€27.92
Class R Euro Hedged Distribution	1,618,501	€29.92	1,396,086	€24.98
Class R Sterling Hedged Distribution	39,069	£31.92	38,882	£26.33
Class R Sterling Distribution	21,016	£28.59	22,307	£24.77
Class R US Dollar Distribution	609,532	\$36.44	640,572	\$29.80
Class S Euro Distribution	37,934	€35.84	44,711	€30.14
Class S Euro Hedged Distribution	19,615	€32.54	21,350	€27.06
Class S Sterling Hedged Distribution	313,411	£34.65	537,096	£28.40
Class S Sterling Distribution	4,028,966	£31.06	6,134,959	£26.74
Class S US Dollar Distribution	2,260,815	\$39.59	3,047,620	\$32.17

Smart Energy Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	7,417,851	€9.10	877,926	€7.95
Class I Sterling Accumulation	2,776,718	£7.88	2,072,618	£7.05
Class I Swedish Krona Accumulation	11	SEK 101.25	11	SEK 88.35
Class I Swiss Franc Accumulation	65,036	Sfr. 8.46	5,207	Sfr. 7.85
Class I US Dollar Accumulation	4,250,275	\$10.05	3,766,719	\$8.48
Class R Euro Accumulation	227,584	€8.95	88,814	€7.87
Class R Sterling Accumulation	20,654	£7.76	16,647	£6.99
Class R Swedish Krona Accumulation	5,636,355	SEK 99.64	2,122,218	SEK 87.57
Class R Swiss Franc Accumulation	107	Sfr. 8.32	117	Sfr. 7.78
Class R US Dollar Accumulation	9,366,979	\$9.89	6,223,020	\$8.40



Smart Mobility Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	401,759	€8.24	377,777	€7.43
Class I Sterling Accumulation	139,782	£7.14	411,933	£6.60
Class I Swedish Krona Accumulation	11	SEK 91.69	11	SEK 82.66
Class I Swiss Franc Accumulation	45,233	Sfr. 7.66	7,957	Sfr. 7.34
Class I US Dollar Accumulation	511,139	\$9.10	502,282	\$7.93
Class R Euro Accumulation	9,586	€8.11	7,441	€7.37
Class R Sterling Accumulation	135	£7.03	135	£6.54
Class R Swedish Krona Accumulation	57	SEK 90.29	13	SEK 81.98
Class R Swiss Franc Accumulation	107	Sfr. 7.54	107	Sfr. 7.28
Class R US Dollar Accumulation	100	\$8.96	100	\$7.87

UK Value Opportunities Fund	31 December 2023		31 December 2022	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Sterling Accumulation	6,671,435	£13.16	10,389,461	£11.99
Class I Sterling Distribution	4,654,743	£11.92	8,574,650	£11.16
Class R Sterling Accumulation	90,886	£10.88	131,118	£9.97
Class S Sterling Accumulation	13,950,633	£13.27	13,318,808	£12.07
Class S Sterling Distribution	37,349,736	£11.95	56,063,674	£11.18
Class Z Sterling Accumulation	100	£12.13	100	£10.97

### Movement in redeemable participating shares in issue during the financial year

	31 December 2023				
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation	Shares Number Class R EUR Accumulation	Shares Number Class R USD Accumulation
Shares in issue at 1 January 2023	1,520,131	6,489,889	3,057,973	1,145,672	1,558,588
Shares issued during financial year	1,447,094	1,760,273	255,005	649,606	175,786
Shares redeemed during financial year	(491,815)	(1,239,538)	(238,188)	(275,936)	(141,101)
<b>Shares in issue at 31 December 2023</b>	<b>2,475,410</b>	<b>7,010,624</b>	<b>3,074,790</b>	<b>1,519,342</b>	<b>1,593,273</b>
<b>Shares in issue at 31 December 2022</b>	<b>1,520,131</b>	<b>6,489,889</b>	<b>3,057,973</b>	<b>1,145,672</b>	<b>1,558,588</b>

Artificial Intelligence Fund continued	31 December 2023			
	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation	Shares Number Class Z GBP Accumulation
Shares in issue at 1 January 2023	57,975	9,209,112	535,384	2,237,600
Shares issued during financial year	–	635,242	186,987	50
Shares redeemed during financial year	(22,572)	(2,670,641)	(140,792)	(2,237,500)
<b>Shares in issue at 31 December 2023</b>	<b>35,403</b>	<b>7,173,713</b>	<b>581,579</b>	<b>150</b>
<b>Shares in issue at 31 December 2022</b>	<b>57,975</b>	<b>9,209,112</b>	<b>535,384</b>	<b>2,237,600</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2023 – Number of Shares				
	Class I EUR Accumulation	Class I GBP Accumulation	Class I USD Accumulation	Class R EUR Accumulation	Class R GBP Accumulation
<b>Asian Stars Fund</b>					
Shares in issue at 1 January 2023	50,391	202,567	241,532	4,179	127
Shares issued during financial year	4,115	45,719	18,898	4,097	–
Shares redeemed during financial year	–	(50,241)	(7,068)	(2,647)	–
<b>Shares in issue at 31 December 2023</b>	<b>54,506</b>	<b>198,045</b>	<b>253,362</b>	<b>5,629</b>	<b>127</b>
<b>Shares in issue at 31 December 2022</b>	<b>50,391</b>	<b>202,567</b>	<b>241,532</b>	<b>4,179</b>	<b>127</b>

	31 December 2023 – Number of Shares				
	Class R USD Accumulation	Class S EUR Accumulation	Class S GBP Accumulation	Class S USD Accumulation	Class S USD Distribution
<b>Asian Stars Fund</b> continued					
Shares in issue at 1 January 2023	1,528	4,485,546	1,552,230	3,261,202	30,100
Shares issued during financial year	2,964	4,782,435	1,792,720	1,327,078	30,001
Shares redeemed during financial year	(884)	(640,577)	(457,087)	(496,008)	–
<b>Shares in issue at 31 December 2023</b>	<b>3,608</b>	<b>8,627,404</b>	<b>2,887,863</b>	<b>4,092,272</b>	<b>60,101</b>
<b>Shares in issue at 31 December 2022</b>	<b>1,528</b>	<b>4,485,546</b>	<b>1,552,230</b>	<b>3,261,202</b>	<b>30,100</b>

	31 December 2023 – Number of Shares				
	Class I EUR Distribution	Class I GBP Distribution	Class I GBP Hedged Distribution	Class I USD Distribution	Class R EUR Distribution
<b>Biotechnology Fund</b>					
Shares in issue at 1 January 2023	4,657,487	6,194,276	2,689,119	15,334,092	4,636,414
Shares issued during financial year	965,948	1,078,756	706,404	9,768,152	1,130,223
Shares redeemed during financial year	(1,435,608)	(1,196,010)	(468,871)	(13,716,124)	(1,534,691)
<b>Shares in issue at 31 December 2023</b>	<b>4,187,827</b>	<b>6,077,022</b>	<b>2,926,652</b>	<b>11,386,120</b>	<b>4,231,946</b>
<b>Shares in issue at 31 December 2022</b>	<b>4,657,487</b>	<b>6,194,276</b>	<b>2,689,119</b>	<b>15,334,092</b>	<b>4,636,414</b>

	31 December 2023 – Number of Shares				
	Class R GBP Distribution	Class R USD Distribution	Class S EUR Distribution	Class S GBP Distribution	Class S USD Distribution
<b>Biotechnology Fund</b> continued					
Shares in issue at 1 January 2023	242,514	9,600,112	14,364	76,773	173,339
Shares issued during financial year	32,579	1,132,972	29,293	17,776	51,367
Shares redeemed during financial year	(28,969)	(1,823,079)	(4,786)	(14,003)	(5,815)
<b>Shares in issue at 31 December 2023</b>	<b>246,124</b>	<b>8,910,005</b>	<b>38,871</b>	<b>80,546</b>	<b>218,891</b>
<b>Shares in issue at 31 December 2022</b>	<b>242,514</b>	<b>9,600,112</b>	<b>14,364</b>	<b>76,773</b>	<b>173,339</b>



## 31 December 2023 – Number of Shares

China Stars Fund	Class I EUR Accumulation	Class I GBP Accumulation	Class I USD Accumulation	Class R EUR Accumulation	Class R GBP Accumulation
Shares in issue at 1 January 2023	24,233	133,851	20,168	19,700	130
Shares issued during financial year	237	41,861	13,360	13,367	–
Shares redeemed during financial year	(7,910)	(60,372)	(31,625)	(17,682)	–
<b>Shares in issue at 31 December 2023</b>	<b>16,560</b>	<b>115,340</b>	<b>1,903</b>	<b>15,385</b>	<b>130</b>
<b>Shares in issue at 31 December 2022</b>	<b>24,233</b>	<b>133,851</b>	<b>20,168</b>	<b>19,700</b>	<b>130</b>

## 31 December 2023 – Number of Shares

China Stars Fund continued	Class R USD Accumulation	Class S EUR Accumulation	Class S GBP Accumulation	Class S USD Accumulation
Shares in issue at 1 January 2023	19,739	6,960	486,687	886,526
Shares issued during financial year	4,075	6,989	547,300	158,054
Shares redeemed during financial year	(4,075)	(13,833)	(999,391)	(453)
<b>Shares in issue at 31 December 2023</b>	<b>19,739</b>	<b>116</b>	<b>34,596</b>	<b>1,044,127</b>
<b>Shares in issue at 31 December 2022</b>	<b>19,739</b>	<b>6,960</b>	<b>486,687</b>	<b>886,526</b>

## 31 December 2023 – Number of Shares

Emerging Market ex-China Stars Fund	Class I EUR Accumulation	Class I GBP Accumulation	Class I USD Accumulation	Class S EUR Accumulation	Class S GBP Accumulation
Shares in issue at 1 January 2023	–	–	–	–	–
Shares issued during financial year	109	645	100	109	127
Shares redeemed during financial year	–	–	–	–	–
<b>Shares in issue at 31 December 2023</b>	<b>109</b>	<b>645</b>	<b>100</b>	<b>109</b>	<b>127</b>
<b>Shares in issue at 31 December 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 31 December 2023 – Number of Shares

Emerging Market ex-China Stars Fund continued	Class S USD Accumulation	Class X EUR Accumulation	Class X SEK Accumulation	Class X USD Accumulation
Shares in issue at 1 January 2023	–	–	–	–
Shares issued during financial year	100,000	109	9	100
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2023</b>	<b>100,000</b>	<b>109</b>	<b>9</b>	<b>100</b>
<b>Shares in issue at 31 December 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

Emerging Market Stars Fund	31 December 2023 – Number of Shares				
	Class I EUR Accumulation	Class I GBP Accumulation	Class I USD Accumulation	Class R EUR Accumulation	Class R GBP Accumulation
Shares in issue at 1 January 2023	8,729,857	1,534,806	1,291,413	133,312	14,222
Shares issued during financial year	6,349,056	1,139,361	1,256,639	91,600	841
Shares redeemed during financial year	(3,027,454)	(416,531)	(404,091)	(100,838)	(8,063)
<b>Shares in issue at 31 December 2023</b>	<b>12,051,459</b>	<b>2,257,636</b>	<b>2,143,961</b>	<b>124,074</b>	<b>7,000</b>
<b>Shares in issue at 31 December 2022</b>	<b>8,729,857</b>	<b>1,534,806</b>	<b>1,291,413</b>	<b>133,312</b>	<b>14,222</b>

Emerging Market Stars Fund continued	31 December 2023 – Number of Shares				
	Class R USD Accumulation	Class R USD Distribution	Class S EUR Accumulation	Class S EUR Distribution	Class S GBP Accumulation
Shares in issue at 1 January 2023	467,583	100	3,257,659	15,378	8,743,620
Shares issued during financial year	–	–	143,311	245	3,812,308
Shares redeemed during financial year	(75,045)	–	(309,510)	(51)	(2,003,666)
<b>Shares in issue at 31 December 2023</b>	<b>392,538</b>	<b>100</b>	<b>3,091,460</b>	<b>15,572</b>	<b>10,552,262</b>
<b>Shares in issue at 31 December 2022</b>	<b>467,583</b>	<b>100</b>	<b>3,257,659</b>	<b>15,378</b>	<b>8,743,620</b>

Emerging Market Stars Fund continued	31 December 2023 – Number of Shares				
	Class S USD Accumulation	Class S USD Distribution	Class SX EUR Accumulation	Class SX GBP Accumulation	Class SX GBP Distribution
Shares in issue at 1 January 2023	8,691,247	2,741,933	100	1,957,290	15,357,994
Shares issued during financial year	941,016	698,829	–	4,439,760	2,856,224
Shares redeemed during financial year	(120,245)	(228,992)	–	(464,431)	(975,739)
<b>Shares in issue at 31 December 2023</b>	<b>9,512,018</b>	<b>3,211,770</b>	<b>100</b>	<b>5,932,619</b>	<b>17,238,479</b>
<b>Shares in issue at 31 December 2022</b>	<b>8,691,247</b>	<b>2,741,933</b>	<b>100</b>	<b>1,957,290</b>	<b>15,357,994</b>

Emerging Market Stars Fund continued	31 December 2023 – Number of Shares				
	Class SX USD Accumulation	Class SX USD Distribution	Class X EUR Accumulation	Class X SEK Accumulation	Class X USD Accumulation
Shares in issue at 1 January 2023	17,095,345	10,106,618	225,763	14,102,733	4,776,306
Shares issued during financial year	4,885,980	722,411	857,440	12,002,810	1,932,694
Shares redeemed during financial year	(7,117,944)	(1,666,257)	(120,615)	(2,046,275)	(804,913)
<b>Shares in issue at 31 December 2023</b>	<b>14,863,381</b>	<b>9,162,772</b>	<b>962,588</b>	<b>24,059,268</b>	<b>5,909,061</b>
<b>Shares in issue at 31 December 2022</b>	<b>17,095,345</b>	<b>10,106,618</b>	<b>225,763</b>	<b>14,102,733</b>	<b>4,776,306</b>



## 31 December 2023 – Number of Shares

European ex UK Income Fund	Class I EUR Accumulation	Class I GBP Accumulation	Class I GBP Distribution	Class I GBP Hedged Accumulation	Class I GBP Hedged Distribution
Shares in issue at 1 January 2023	84,741	652,058	336,331	26,380	58,014
Shares issued during financial year	920,248	12,087,170	2,202,953	120,015	145,861
Shares redeemed during financial year	(645,467)	(10,905,709)	(848,329)	(19,345)	(24,791)
<b>Shares in issue at 31 December 2023</b>	<b>359,522</b>	<b>1,833,519</b>	<b>1,690,955</b>	<b>127,050</b>	<b>179,084</b>
<b>Shares in issue at 31 December 2022</b>	<b>84,741</b>	<b>652,058</b>	<b>336,331</b>	<b>26,380</b>	<b>58,014</b>

## 31 December 2023 – Number of Shares

European ex UK Income Fund continued	Class S GBP Accumulation	Class S GBP Distribution	Class S GBP Hedged Accumulation	Class S GBP Hedged Distribution	Class X GBP Accumulation
Shares in issue at 1 January 2023	860,882	4,023,745	100	48,806	2,639
Shares issued during financial year	33,023	867,446	26,237	49	5,748
Shares redeemed during financial year	(560,360)	(2,012,125)	–	(9,903)	(3,081)
<b>Shares in issue at 31 December 2023</b>	<b>333,545</b>	<b>2,879,066</b>	<b>26,337</b>	<b>38,952</b>	<b>5,306</b>
<b>Shares in issue at 31 December 2022</b>	<b>860,882</b>	<b>4,023,745</b>	<b>100</b>	<b>48,806</b>	<b>2,639</b>

## 31 December 2023 – Number of Shares

European ex UK Income Fund continued	Class X GBP Distribution	Class Z GBP Accumulation	Class Z GBP Distribution
Shares in issue at 1 January 2023	4,362,347	–	–
Shares issued during financial year	955,809	13,129,130	455,106
Shares redeemed during financial year	(2,420,430)	(214,794)	(17,787)
<b>Shares in issue at 31 December 2023</b>	<b>2,897,726</b>	<b>12,914,336</b>	<b>437,319</b>
<b>Shares in issue at 31 December 2022</b>	<b>4,362,347</b>	<b>–</b>	<b>–</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

Financial Credit Fund	31 December 2023 – Number of Shares				
	Class A1 GBP Distribution	Class A2 GBP Accumulation	Class B1 GBP Distribution	Class B2 GBP Accumulation	Class I EUR Accumulation
Shares in issue at 1 January 2023	3,138,447	892,095	4,927,988	7,954,271	29,894
Shares issued during financial year	35,406	8,710	393,584	715,491	61,223
Shares redeemed during financial year	(1,032,801)	(305,919)	(1,144,433)	(6,704,911)	(39,220)
<b>Shares in issue at 31 December 2023</b>	<b>2,141,052</b>	<b>594,886</b>	<b>4,177,139</b>	<b>1,964,851</b>	<b>51,897</b>
<b>Shares in issue at 31 December 2022</b>	<b>3,138,447</b>	<b>892,095</b>	<b>4,927,988</b>	<b>7,954,271</b>	<b>29,894</b>

Financial Credit Fund continued	31 December 2023 – Number of Shares				
	Class I EUR Distribution	Class I EUR Hedged Accumulation	Class I EUR Hedged Distribution	Class I USD Accumulation	Class I USD Distribution
Shares in issue at 1 January 2023	779	8,457	934	371	250,636
Shares issued during financial year	34,043	–	8	–	38
Shares redeemed during financial year	–	(2,125)	(800)	–	(18,465)
<b>Shares in issue at 31 December 2023</b>	<b>34,822</b>	<b>6,332</b>	<b>142</b>	<b>371</b>	<b>232,209</b>
<b>Shares in issue at 31 December 2022</b>	<b>779</b>	<b>8,457</b>	<b>934</b>	<b>371</b>	<b>250,636</b>

Financial Credit Fund continued	31 December 2023 – Number of Shares				
	Class R EUR Accumulation	Class R EUR Distribution	Class R EUR Hedged Accumulation	Class R EUR Hedged Distribution	Class R USD Accumulation
Shares in issue at 1 January 2023	57,951	69,036	75,807	95,320	14,281
Shares issued during financial year	5,778	44	19,180	4,155	–
Shares redeemed during financial year	(60,531)	–	(81,888)	(4,147)	–
<b>Shares in issue at 31 December 2023</b>	<b>3,198</b>	<b>69,080</b>	<b>13,099</b>	<b>95,328</b>	<b>14,281</b>
<b>Shares in issue at 31 December 2022</b>	<b>57,951</b>	<b>69,036</b>	<b>75,807</b>	<b>95,320</b>	<b>14,281</b>

Financial Credit Fund continued	31 December 2023 – Number of Shares				
	Class R USD Distribution	Class R USD Hedged Accumulation	Class R USD Hedged Distribution	Class S EUR Accumulation	Class S EUR Distribution
Shares in issue at 1 January 2023	701,407	361,003	300,957	–	–
Shares issued during financial year	55,246	–	7	87	87
Shares redeemed during financial year	–	(118,212)	(131,950)	–	–
<b>Shares in issue at 31 December 2023</b>	<b>756,653</b>	<b>242,791</b>	<b>169,014</b>	<b>87</b>	<b>87</b>
<b>Shares in issue at 31 December 2022</b>	<b>701,407</b>	<b>361,003</b>	<b>300,957</b>	<b>–</b>	<b>–</b>



	31 December 2023 – Number of Shares			
	Class S GBP Accumulation	Class S GBP Distribution	Class S USD Accumulation	Class S USD Distribution
<b>Financial Credit Fund</b> continued				
Shares in issue at 1 January 2023	–	–	–	–
Shares issued during financial year	100	100	78	78
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2023</b>	100	100	78	78
<b>Shares in issue at 31 December 2022</b>	–	–	–	–

	31 December 2023 – Number of Shares				
	Class I EUR Accumulation	Class I EUR Distribution	Class I GBP Accumulation	Class I GBP Distribution	Class I USD Accumulation
<b>Financial Opportunities Fund</b>					
Shares in issue at 1 January 2023	2,604	133,059	358,506	315,820	48,065
Shares issued during financial year	429	4,256	39,324	14,525	1,700
Shares redeemed during financial year	(605)	(1,528)	(200,571)	(94,810)	–
<b>Shares in issue at 31 December 2023</b>	2,428	135,787	197,259	235,535	49,765
<b>Shares in issue at 31 December 2022</b>	2,604	133,059	358,506	315,820	48,065

	31 December 2023 – Number of Shares				
	Class I USD Distribution	Class R EUR Accumulation	Class R EUR Distribution	Class R GBP Accumulation	Class R GBP Distribution
<b>Financial Opportunities Fund</b> continued					
Shares in issue at 1 January 2023	599	14,195	16,732	17,100	6,336
Shares issued during financial year	202	6,471	56	–	74
Shares redeemed during financial year	(97)	(13,589)	(23)	(7,801)	–
<b>Shares in issue at 31 December 2023</b>	704	7,077	16,765	9,299	6,410
<b>Shares in issue at 31 December 2022</b>	599	14,195	16,732	17,100	6,336

	31 December 2023 – Number of Shares			
	Class R USD Accumulation	Class R USD Distribution	Class S GBP Distribution	Class S USD Distribution
<b>Financial Opportunities Fund</b> continued				
Shares in issue at 1 January 2023	13,982	9	208,815	230,862
Shares issued during financial year	–	–	3,589	2,096
Shares redeemed during financial year	–	–	(107,970)	(105,280)
<b>Shares in issue at 31 December 2023</b>	13,982	9	104,434	127,678
<b>Shares in issue at 31 December 2022</b>	13,982	9	208,815	230,862



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 9. Shareholders' Funds continued

## Movement in redeemable participating shares in issue during the financial year continued

	31 December 2023 – Number of Shares				
	Class I Hedged Euro Accumulation	Class I Hedged JPY Accumulation	Class I Hedged JPY Distribution	Class I Hedged Sterling Accumulation	Class I Hedged Euro Accumulation
<b>Global Absolute Return Fund</b>					
Shares in issue at 1 January 2023	2,624	155	155	31,950	13,728
Shares issued during financial year	3,527	–	9	9,547	9,434
Shares redeemed during financial year	(1,500)	–	–	(10,233)	(2,434)
<b>Shares in issue at 31 December 2023</b>	<b>4,651</b>	<b>155</b>	<b>164</b>	<b>31,264</b>	<b>20,728</b>
<b>Shares in issue at 31 December 2022</b>	<b>2,624</b>	<b>155</b>	<b>155</b>	<b>31,950</b>	<b>13,728</b>

	31 December 2023 – Number of Shares				
	Class I US Dollar Accumulation	Class S USD Distribution	Class S Hedged Euro Accumulation	Class S JPY Hedged Accumulation	Class S JPY Hedged Distribution
<b>Global Absolute Return Fund</b> continued					
Shares in issue at 1 January 2023	23,628	10	54,344	155	155
Shares issued during financial year	3,066	1	2,203	–	9
Shares redeemed during financial year	(9,337)	–	(43,265)	–	–
<b>Shares in issue at 31 December 2023</b>	<b>17,357</b>	<b>11</b>	<b>13,282</b>	<b>155</b>	<b>164</b>
<b>Shares in issue at 31 December 2022</b>	<b>23,628</b>	<b>10</b>	<b>54,344</b>	<b>155</b>	<b>155</b>

	31 December 2023 – Number of Shares		
	Class S GBP Hedged Accumulation	Class S GBP Hedged Distribution	Class S USD Accumulation
<b>Global Absolute Return Fund</b> continued			
Shares in issue at 1 January 2023	209,957	308	458,503
Shares issued during financial year	333,704	9,140	66,994
Shares redeemed during financial year	(132,286)	(3,144)	(394,714)
<b>Shares in issue at 31 December 2023</b>	<b>411,375</b>	<b>6,304</b>	<b>130,783</b>
<b>Shares in issue at 31 December 2022</b>	<b>209,957</b>	<b>308</b>	<b>458,503</b>



## 31 December 2023 – Number of Shares

Global Convertible Fund	Class I EUR Accumulation	Class I EUR Distribution	Class I Hedged EUR Accumulation	Class I Hedged GBP Accumulation	Class I Hedged GBP Distribution
Shares in issue at 1 January 2023	523,975	197,342	81,075	3,365,225	2,833,852
Shares issued during financial year	–	11,158	17,150	2,541,885	601,025
Shares redeemed during financial year	(424,596)	(78,865)	(48,000)	(2,995,234)	(1,453,536)
<b>Shares in issue at 31 December 2023</b>	<b>99,379</b>	<b>129,635</b>	<b>50,225</b>	<b>2,911,876</b>	<b>1,981,341</b>
<b>Shares in issue at 31 December 2022</b>	<b>523,975</b>	<b>197,342</b>	<b>81,075</b>	<b>3,365,225</b>	<b>2,833,852</b>

## 31 December 2023 – Number of Shares

Global Convertible Fund	Class I Hedged CHF Accumulation	Class I GBP Accumulation	Class I GBP Distribution	Class I USD Accumulation	Class I USD Distribution
Shares in issue at 1 January 2023	81,300	1,366,652	15,515,086	112,400	225,205
Shares issued during financial year	11,000	174,070	1,578,865	–	28,555
Shares redeemed during financial year	(38,250)	(374,982)	(3,451,149)	(9,934)	(30,415)
<b>Shares in issue at 31 December 2023</b>	<b>54,050</b>	<b>1,165,740</b>	<b>13,642,802</b>	<b>102,466</b>	<b>223,345</b>
<b>Shares in issue at 31 December 2022</b>	<b>81,300</b>	<b>1,366,652</b>	<b>15,515,086</b>	<b>112,400</b>	<b>225,205</b>

## 31 December 2023 – Number of Shares

Global Convertible Fund	Class Portfolio Currency Hedged EUR I Accumulation	Class Portfolio Currency Hedged GBP I Distribution	Class Portfolio Currency Hedged GBP S Distribution	Class Portfolio Currency Hedged Sterling Y Distribution	Class R EUR Accumulation
Shares in issue at 1 January 2023	2,926,434	4,323,489	49,670	4,455,164	64,995
Shares issued during financial year	205,000	93,972	875	57,425	6,335
Shares redeemed during financial year	(3,052,518)	(649,712)	(32,703)	(1,181,559)	(14,659)
<b>Shares in issue at 31 December 2023</b>	<b>78,916</b>	<b>3,767,749</b>	<b>17,842</b>	<b>3,331,030</b>	<b>56,671</b>
<b>Shares in issue at 31 December 2022</b>	<b>2,926,434</b>	<b>4,323,489</b>	<b>49,670</b>	<b>4,455,164</b>	<b>64,995</b>

## 31 December 2023 – Number of Shares

Global Convertible Fund	Class R EUR Distribution	Class R GBP Accumulation	Class R GBP Distribution	Class R USD Accumulation	Class R USD Distribution
Shares in issue at 1 January 2023	72,011	7,543	8,747	140	12,832
Shares issued during financial year	42	–	14	–	12
Shares redeemed during financial year	(18,165)	(413)	–	–	(12,691)
<b>Shares in issue at 31 December 2023</b>	<b>53,888</b>	<b>7,130</b>	<b>8,761</b>	<b>140</b>	<b>153</b>
<b>Shares in issue at 31 December 2022</b>	<b>72,011</b>	<b>7,543</b>	<b>8,747</b>	<b>140</b>	<b>12,832</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

Global Convertible Fund continued	31 December 2023 – Number of Shares				
	Class S EUR Accumulation	Class S EUR Distribution	Class S Hedged GBP Accumulation	Class S Hedged GBP Distribution	Class S CHF Hedged Accumulation
Shares in issue at 1 January 2023	14,331	153,980	37,748	420,117	50
Shares issued during financial year	2,006	21,934	26,014	709,440	–
Shares redeemed during financial year	–	(86,754)	(27,046)	(318,176)	–
<b>Shares in issue at 31 December 2023</b>	<b>16,337</b>	<b>89,160</b>	<b>36,716</b>	<b>811,381</b>	<b>50</b>
<b>Shares in issue at 31 December 2022</b>	<b>14,331</b>	<b>153,980</b>	<b>37,748</b>	<b>420,117</b>	<b>50</b>

Global Convertible Fund continued	31 December 2023 – Number of Shares				
	Class S GBP Accumulation	Class S GBP Distribution	Class S USD Accumulation	Class S USD Distribution	Class SI GBP Accumulation
Shares in issue at 1 January 2023	150,380	18,746,640	53,629	477,207	5,015,435
Shares issued during financial year	27,300	2,298,335	3,688	36,521	429,381
Shares redeemed during financial year	(15,170)	(7,192,585)	(6,363)	(194,844)	(5,388,860)
<b>Shares in issue at 31 December 2023</b>	<b>162,510</b>	<b>13,852,390</b>	<b>50,954</b>	<b>318,884</b>	<b>55,956</b>
<b>Shares in issue at 31 December 2022</b>	<b>150,380</b>	<b>18,746,640</b>	<b>53,629</b>	<b>477,207</b>	<b>5,015,435</b>

Global Convertible Fund continued	31 December 2023 – Number of Shares	
	Class SI Sterling Distribution	Class Y Sterling Distribution
Shares in issue at 1 January 2023	101	10,689,934
Shares issued during financial year	6	838,946
Shares redeemed during financial year	–	(5,255,897)
<b>Shares in issue at 31 December 2023</b>	<b>107</b>	<b>6,272,983</b>
<b>Shares in issue at 31 December 2022</b>	<b>101</b>	<b>10,689,934</b>

Global Insurance Fund	31 December 2023 – Number of Shares				
	Class A GBP Distribution	Class B GBP Accumulation	Class E GBP Distribution	Class F GBP Accumulation	Class I EUR Accumulation
Shares in issue at 1 January 2023	191,332	1,024,631	102,731,311	23,852,097	24,108,388
Shares issued during financial year	9,726	373	19,169,598	5,441,717	8,984,845
Shares redeemed during financial year	(97,769)	(100,037)	(56,986,289)	(11,511,305)	(13,140,668)
<b>Shares in issue at 31 December 2023</b>	<b>103,289</b>	<b>924,967</b>	<b>64,914,620</b>	<b>17,782,509</b>	<b>19,952,565</b>
<b>Shares in issue at 31 December 2022</b>	<b>191,332</b>	<b>1,024,631</b>	<b>102,731,311</b>	<b>23,852,097</b>	<b>24,108,388</b>



## 31 December 2023 – Number of Shares

Global Insurance Fund continued	Class I EUR Distribution	Class I Hedged EUR Accumulation	Class I Hedged Euro Distribution	Class I Hedged Sterling Distribution	Class I Hedged Swiss Franc Accumulation
Shares in issue at 1 January 2023	1,299,550	877,212	1,551,820	281,275	1,931,377
Shares issued during financial year	193,099	162,468	419,451	233,403	533,689
Shares redeemed during financial year	(718,633)	(629,560)	(305,335)	(38,612)	(324,001)
<b>Shares in issue at 31 December 2023</b>	<b>774,016</b>	<b>410,120</b>	<b>1,665,936</b>	<b>476,066</b>	<b>2,141,065</b>
<b>Shares in issue at 31 December 2022</b>	<b>1,299,550</b>	<b>877,212</b>	<b>1,551,820</b>	<b>281,275</b>	<b>1,931,377</b>

## 31 December 2023 – Number of Shares

Global Insurance Fund continued	Class I Hedged USD Accumulation	Class I GBP Accumulation	Class I GBP Distribution	Class I USD Accumulation	Class I USD Distribution
Shares in issue at 1 January 2023	60,758	39,682,580	49,399,070	22,476,016	3,344,464
Shares issued during financial year	3,234,672	13,166,193	5,050,623	9,036,624	834,693
Shares redeemed during financial year	(3,142,957)	(16,189,508)	(12,161,235)	(10,578,638)	(580,046)
<b>Shares in issue at 31 December 2023</b>	<b>152,473</b>	<b>36,659,265</b>	<b>42,288,458</b>	<b>20,934,002</b>	<b>3,599,111</b>
<b>Shares in issue at 31 December 2022</b>	<b>60,758</b>	<b>39,682,580</b>	<b>49,399,070</b>	<b>22,476,016</b>	<b>3,344,464</b>

## 31 December 2023 – Number of Shares

Global Insurance Fund continued	Class R EUR Accumulation	Class R EUR Distribution	Class R GBP Accumulation	Class R GBP Distribution	Class R USD Accumulation
Shares in issue at 1 January 2023	3,291,315	658,345	506,665	2,668,559	4,689,640
Shares issued during financial year	1,806,697	290,072	131,271	20,783	155,711
Shares redeemed during financial year	(3,017,565)	(397,794)	(138,452)	(72,222)	(1,510,858)
<b>Shares in issue at 31 December 2023</b>	<b>2,080,447</b>	<b>550,623</b>	<b>499,484</b>	<b>2,617,120</b>	<b>3,334,493</b>
<b>Shares in issue at 31 December 2022</b>	<b>3,291,315</b>	<b>658,345</b>	<b>506,665</b>	<b>2,668,559</b>	<b>4,689,640</b>

## 31 December 2023 – Number of Shares

Global Insurance Fund continued	Class R USD Distribution
Shares in issue at 1 January 2023	181,885
Shares issued during financial year	83,850
Shares redeemed during financial year	(90,347)
<b>Shares in issue at 31 December 2023</b>	<b>175,388</b>
<b>Shares in issue at 31 December 2022</b>	<b>181,885</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

Global Technology Fund	31 December 2023 – Number of Shares				
	Class EUR Distribution	Class GBP Distribution	Class USD Distribution	Class I EUR Accumulation	Class I EUR Distribution
Shares in issue at 1 January 2023	173,366	250,589	529,508	2,624,770	3,195,903
Shares issued during financial year	31,691	13,713	62,495	2,196,189	1,292,826
Shares redeemed during financial year	(44,361)	(42,755)	(101,194)	(919,075)	(930,775)
<b>Shares in issue at 31 December 2023</b>	<b>160,696</b>	<b>221,547</b>	<b>490,809</b>	<b>3,901,884</b>	<b>3,557,954</b>
<b>Shares in issue at 31 December 2022</b>	<b>173,366</b>	<b>250,589</b>	<b>529,508</b>	<b>2,624,770</b>	<b>3,195,903</b>

Global Technology Fund continued	31 December 2023 – Number of Shares				
	Class I EUR Hedged Distribution	Class I GBP Hedged Distribution	Class I CHF Hedged Distribution	Class I GBP Distribution	Class I USD Distribution
Shares in issue at 1 January 2023	4,155,317	4,827,161	2,574,095	20,012,103	14,807,807
Shares issued during financial year	595,334	518,440	227,817	1,965,094	2,868,243
Shares redeemed during financial year	(2,866,549)	(2,042,360)	(449,314)	(5,382,418)	(4,565,520)
<b>Shares in issue at 31 December 2023</b>	<b>1,884,102</b>	<b>3,303,241</b>	<b>2,352,598</b>	<b>16,594,779</b>	<b>13,110,530</b>
<b>Shares in issue at 31 December 2022</b>	<b>4,155,317</b>	<b>4,827,161</b>	<b>2,574,095</b>	<b>20,012,103</b>	<b>14,807,807</b>

Global Technology Fund continued	31 December 2023 – Number of Shares				
	Class R EUR Accumulation	Class R EUR Distribution	Class R Hedged EUR Distribution	Class R Hedged CHF Distribution	Class R GBP Distribution
Shares in issue at 1 January 2023	265,094	5,454,444	4,953,104	1,460,186	788,644
Shares issued during financial year	481,022	779,588	2,156,463	261,312	176,547
Shares redeemed during financial year	(252,866)	(1,377,016)	(1,587,932)	(454,990)	(158,452)
<b>Shares in issue at 31 December 2023</b>	<b>493,250</b>	<b>4,857,016</b>	<b>5,521,635</b>	<b>1,266,508</b>	<b>806,739</b>
<b>Shares in issue at 31 December 2022</b>	<b>265,094</b>	<b>5,454,444</b>	<b>4,953,104</b>	<b>1,460,186</b>	<b>788,644</b>

Global Technology Fund continued	31 December 2023 – Number of Shares	
	Class R USD Distribution	Class R USD Distribution
Shares in issue at 1 January 2023	641,840	18,956,788
Shares issued during financial year	37,593	1,497,462
Shares redeemed during financial year	(149,072)	(2,881,036)
<b>Shares in issue at 31 December 2023</b>	<b>530,361</b>	<b>17,573,214</b>
<b>Shares in issue at 31 December 2022</b>	<b>641,840</b>	<b>18,956,788</b>



## 31 December 2023 – Number of Shares

Healthcare Blue Chip Fund	Class I EUR Accumulation	Class I EUR Distribution	Class I EUR Hedged Accumulation	Class I GBP Accumulation	Class I GBP Distribution
Shares in issue at 1 January 2023	120,011	13,171	100	2,021,107	386,638
Shares issued during financial year	2,106,259	299	–	954,315	278,571
Shares redeemed during financial year	(1,091,472)	(783)	–	(813,824)	(277,365)
<b>Shares in issue at 31 December 2023</b>	<b>1,134,798</b>	<b>12,687</b>	<b>100</b>	<b>2,161,598</b>	<b>387,844</b>
<b>Shares in issue at 31 December 2022</b>	<b>120,011</b>	<b>13,171</b>	<b>100</b>	<b>2,021,107</b>	<b>386,638</b>

## 31 December 2023 – Number of Shares

Healthcare Blue Chip Fund continued	Class I USD Accumulation	Class I USD Distribution	Class R Euro Accumulation	Class R US Dollar Accumulation	Class S GBP Accumulation
Shares in issue at 1 January 2023	443,443	6,348	101	40,716	254,270
Shares issued during financial year	2,200,056	1,008	5,589	4,479	115,526
Shares redeemed during financial year	(836,264)	(1,816)	–	(45,095)	(136,458)
<b>Shares in issue at 31 December 2023</b>	<b>1,807,235</b>	<b>5,540</b>	<b>5,690</b>	<b>100</b>	<b>233,338</b>
<b>Shares in issue at 31 December 2022</b>	<b>443,443</b>	<b>6,348</b>	<b>101</b>	<b>40,716</b>	<b>254,270</b>

## 31 December 2023 – Number of Shares

Healthcare Blue Chip Fund continued	Class S GBP Distribution	Class S GBP Hedged Distribution	Class S USD Accumulation	Class S USD Distribution	Class SI GBP Distribution
Shares in issue at 1 January 2023	73,344	115,104	8	54	7,311,588
Shares issued during financial year	10,627	1,118	–	–	1,864,729
Shares redeemed during financial year	(69,052)	–	–	–	(1,434,543)
<b>Shares in issue at 31 December 2023</b>	<b>14,919</b>	<b>116,222</b>	<b>8</b>	<b>54</b>	<b>7,741,774</b>
<b>Shares in issue at 31 December 2022</b>	<b>73,344</b>	<b>115,104</b>	<b>8</b>	<b>54</b>	<b>7,311,588</b>

31 December 2023 –  
Number of Shares

Healthcare Blue Chip Fund continued	Class SI USD Distribution
Shares in issue at 1 January 2023	2,008,012
Shares issued during financial year	70,571
Shares redeemed during financial year	(1,323,831)
<b>Shares in issue at 31 December 2023</b>	<b>754,752</b>
<b>Shares in issue at 31 December 2022</b>	<b>2,008,012</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2023 – Number of Shares			
	Class I GBP Accumulation	Class I USD Accumulation	Class S GBP Accumulation	Class S USD Accumulation
<b>Healthcare Discovery Fund</b>				
Shares in issue at 1 January 2023	150,040	535,747	1,733,689	866,753
Shares issued during financial year	18,638	29,920	201,601	4,217
Shares redeemed during financial year	(40,397)	(438,033)	(1,517,321)	(870,869)
<b>Shares in issue at 31 December 2023</b>	<b>128,281</b>	<b>127,634</b>	<b>417,969</b>	<b>101</b>
<b>Shares in issue at 31 December 2022</b>	<b>150,040</b>	<b>535,747</b>	<b>1,733,689</b>	<b>866,753</b>

	31 December 2023 – Number of Shares				
	Class A EUR Distribution	Class A GBP Distribution	Class A USD Distribution	Class I EUR Accumulation	Class I EUR Distribution
<b>Healthcare Opportunities Fund</b>					
Shares in issue at 1 January 2023	141,033	76,493	164,471	1,415,731	1,736,139
Shares issued during financial year	13,381	1,532	7,171	419,473	413,335
Shares redeemed during financial year	(43,128)	(26,807)	(17,878)	(593,477)	(530,520)
<b>Shares in issue at 31 December 2023</b>	<b>111,286</b>	<b>51,218</b>	<b>153,764</b>	<b>1,241,727</b>	<b>1,618,954</b>
<b>Shares in issue at 31 December 2022</b>	<b>141,033</b>	<b>76,493</b>	<b>164,471</b>	<b>1,415,731</b>	<b>1,736,139</b>

	31 December 2023 – Number of Shares				
	Class I EUR Hedged Distribution	Class I GBP Distribution	Class I USD Distribution	Class I USD Accumulation	Class R EUR Distribution
<b>Healthcare Opportunities Fund continued</b>					
Shares in issue at 1 January 2023	431,924	17,303,794	2,545,123	416,034	1,322,813
Shares issued during financial year	122,256	2,124,338	702,222	529,124	139,913
Shares redeemed during financial year	(233,948)	(4,214,249)	(1,564,520)	(191,991)	(309,912)
<b>Shares in issue at 31 December 2023</b>	<b>320,232</b>	<b>15,213,883</b>	<b>1,682,825</b>	<b>753,167</b>	<b>1,152,814</b>
<b>Shares in issue at 31 December 2022</b>	<b>431,924</b>	<b>17,303,794</b>	<b>2,545,123</b>	<b>416,034</b>	<b>1,322,813</b>

	31 December 2023 – Number of Shares			
	Class R EUR Accumulation	Class R GBP Distribution	Class R USD Accumulation	Class R USD Distribution
<b>Healthcare Opportunities Fund continued</b>				
Shares in issue at 1 January 2023	84,934	237,145	137,365	1,950,050
Shares issued during financial year	25,693	50,129	48,660	252,357
Shares redeemed during financial year	(31,096)	(42,711)	(28,044)	(375,789)
<b>Shares in issue at 31 December 2023</b>	<b>79,531</b>	<b>244,563</b>	<b>157,981</b>	<b>1,826,618</b>
<b>Shares in issue at 31 December 2022</b>	<b>84,934</b>	<b>237,145</b>	<b>137,365</b>	<b>1,950,050</b>



## 31 December 2023 – Number of Shares

Japan Value Fund	Class I EUR Accumulation	Class I EUR Distribution	Class I Hedged EUR Accumulation	Class I Hedged EUR Distribution	Class I JPY Accumulation
Shares in issue at 1 January 2023	–	1,038	–	100	–
Shares issued during financial year	159	1	100	1	180
Shares redeemed during financial year	–	–	–	–	–
<b>Shares in issue at 31 December 2023</b>	159	1,039	100	101	180
<b>Shares in issue at 31 December 2022</b>	–	1,038	–	100	–

## 31 December 2023 – Number of Shares

Japan Value Fund continued	Class I JPY Distribution	Class I GBP Distribution	Class I Hedged GBP Distribution	Class I Hedged CHF Distribution	Class I USD Accumulation
Shares in issue at 1 January 2023	36,894	167,669	3,851	100	–
Shares issued during financial year	9,807,914	92,594	21	1,401	146
Shares redeemed during financial year	(7,433,975)	(31,572)	(1,875)	–	–
<b>Shares in issue at 31 December 2023</b>	2,410,833	228,691	1,997	1,501	146
<b>Shares in issue at 31 December 2022</b>	36,894	167,669	3,851	100	–

## 31 December 2023 – Number of Shares

Japan Value Fund continued	Class I USD Distribution	Class I Hedged USD Accumulation	Class I Hedged USD Distribution	Class R EUR Distribution	Class R Hedged EUR Distribution
Shares in issue at 1 January 2023	846	–	42,069	105,955	1,937,089
Shares issued during financial year	1	100	13,618	2,367	2,046,794
Shares redeemed during financial year	–	–	(9,192)	(5,103)	(2,144,255)
<b>Shares in issue at 31 December 2023</b>	847	100	46,495	103,219	1,839,628
<b>Shares in issue at 31 December 2022</b>	846	–	42,069	105,955	1,937,089

## 31 December 2023 – Number of Shares

Japan Value Fund continued	Class R JPY Distribution	Class R GBP Distribution	Class R Hedged GBP Distribution	Class R Hedged CHF Distribution	Class R Hedged USD Distribution
Shares in issue at 1 January 2023	3,889,261	2,575	1,380,239	159,826	5,884,567
Shares issued during financial year	249,910	2,960	70,762	3,214	299,694
Shares redeemed during financial year	(922,341)	(18)	(613,343)	(37,327)	(1,216,315)
<b>Shares in issue at 31 December 2023</b>	3,216,830	5,517	837,658	125,713	4,967,946
<b>Shares in issue at 31 December 2022</b>	3,889,261	2,575	1,380,239	159,826	5,884,567

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

Japan Value Fund continued	31 December 2023 – Number of Shares				
	Class R USD Distribution	Class S EUR Distribution	Class S Hedged EUR Distribution	Class S JPY Distribution	Class S GBP Distribution
Shares in issue at 1 January 2023	182,426	164,902	936,739	10,577,533	32,601,138
Shares issued during financial year	31,772	108,876	30,439	19,401,663	7,774,973
Shares redeemed during financial year	(71,645)	–	(102,171)	(3,720,174)	(12,096,826)
<b>Shares in issue at 31 December 2023</b>	<b>142,553</b>	<b>273,778</b>	<b>865,007</b>	<b>26,259,022</b>	<b>28,279,285</b>
<b>Shares in issue at 31 December 2022</b>	<b>182,426</b>	<b>164,902</b>	<b>936,739</b>	<b>10,577,533</b>	<b>32,601,138</b>

Japan Value Fund	31 December 2023 – Number of Shares			
	Class S Hedged GBP Distribution	Class S Hedged CHF Distribution	Class S Hedged USD Distribution	Class S USD Distribution
Shares in issue at 1 January 2023	5,276,161	112,473	4,107,930	5,314,985
Shares issued during financial year	686,262	691	46	182,689
Shares redeemed during financial year	(1,677,593)	(10,138)	(714,031)	(27,578)
<b>Shares in issue at 31 December 2023</b>	<b>4,284,830</b>	<b>103,026</b>	<b>3,393,945</b>	<b>5,470,096</b>
<b>Shares in issue at 31 December 2022</b>	<b>5,276,161</b>	<b>112,473</b>	<b>4,107,930</b>	<b>5,314,985</b>

North American Fund	31 December 2023 – Number of Shares				
	Class I EUR Distribution	Class I Hedged EUR Distribution	Class I Hedged GBP Distribution	Class I Hedged CHF Distribution	Class I GBP Distribution
Shares in issue at 1 January 2023	10,022	340,380	1,084,643	62,313	3,115,431
Shares issued during financial year	22	25,880	15,059	–	446,207
Shares redeemed during financial year	(4,494)	(340,885)	(621,588)	(39,765)	(1,069,564)
<b>Shares in issue at 31 December 2023</b>	<b>5,550</b>	<b>25,375</b>	<b>478,114</b>	<b>22,548</b>	<b>2,492,074</b>
<b>Shares in issue at 31 December 2022</b>	<b>10,022</b>	<b>340,380</b>	<b>1,084,643</b>	<b>62,313</b>	<b>3,115,431</b>

North American Fund continued	31 December 2023 – Number of Shares				
	Class I USD Distribution	Class R EUR Distribution	Class R Hedged EUR Distribution	Class R Hedged GBP Distribution	Class R GBP Distribution
Shares in issue at 1 January 2023	9,446,509	52,054	1,396,086	38,882	22,307
Shares issued during financial year	1,171,265	7,583	532,701	4,680	5,987
Shares redeemed during financial year	(2,672,244)	(16,246)	(310,286)	(4,493)	(7,278)
<b>Shares in issue at 31 December 2023</b>	<b>7,945,530</b>	<b>43,391</b>	<b>1,618,501</b>	<b>39,069</b>	<b>21,016</b>
<b>Shares in issue at 31 December 2022</b>	<b>9,446,509</b>	<b>52,054</b>	<b>1,396,086</b>	<b>38,882</b>	<b>22,307</b>



31 December 2023 – Number of Shares					
North American Fund continued	Class R USD Distribution	Class S EUR Distribution	Class S Hedged EUR Distribution	Class S Hedged GBP Distribution	Class S GBP Distribution
Shares in issue at 1 January 2023	640,572	44,711	21,350	537,096	6,134,959
Shares issued during financial year	30,953	391	695	1,368	96,386
Shares redeemed during financial year	(61,993)	(7,168)	(2,430)	(225,053)	(2,202,379)
<b>Shares in issue at 31 December 2023</b>	<b>609,532</b>	<b>37,934</b>	<b>19,615</b>	<b>313,411</b>	<b>4,028,966</b>
<b>Shares in issue at 31 December 2022</b>	<b>640,572</b>	<b>44,711</b>	<b>21,350</b>	<b>537,096</b>	<b>6,134,959</b>

31 December 2023 – Number of Shares	
North American Fund continued	Class S USD Distribution
Shares in issue at 1 January 2023	3,047,620
Shares issued during financial year	166,631
Shares redeemed during financial year	(953,436)
<b>Shares in issue at 31 December 2023</b>	<b>2,260,815</b>
<b>Shares in issue at 31 December 2022</b>	<b>3,047,620</b>

31 December 2023 – Number of Shares					
Smart Energy Fund	Class I EUR Accumulation	Class I GBP Accumulation	Class I SEK Accumulation	Class I CHF Accumulation	Class I USD Accumulation
Shares in issue at 1 January 2023	877,926	2,072,618	11	5,207	3,766,719
Shares issued during financial year	6,985,788	1,302,345	–	63,849	1,883,646
Shares redeemed during financial year	(445,863)	(598,245)	–	(4,020)	(1,400,090)
<b>Shares in issue at 31 December 2023</b>	<b>7,417,851</b>	<b>2,776,718</b>	<b>11</b>	<b>65,036</b>	<b>4,250,275</b>
<b>Shares in issue at 31 December 2022</b>	<b>877,926</b>	<b>2,072,618</b>	<b>11</b>	<b>5,207</b>	<b>3,766,719</b>

31 December 2023 – Number of Shares					
Smart Energy Fund continued	Class R EUR Accumulation	Class R GBP Accumulation	Class R SEK Accumulation	Class R CHF Accumulation	Class R USD Accumulation
Shares in issue at 1 January 2023	88,814	16,647	2,122,218	117	6,223,020
Shares issued during financial year	173,136	4,007	4,188,908	–	6,314,093
Shares redeemed during financial year	(34,366)	–	(674,771)	(10)	(3,170,134)
<b>Shares in issue at 31 December 2023</b>	<b>227,584</b>	<b>20,654</b>	<b>5,636,355</b>	<b>107</b>	<b>9,366,979</b>
<b>Shares in issue at 31 December 2022</b>	<b>88,814</b>	<b>16,647</b>	<b>2,122,218</b>	<b>117</b>	<b>6,223,020</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2023 – Number of Shares				
	Class I EUR Accumulation	Class I GBP Accumulation	Class I SEK Accumulation	Class I CHF Accumulation	Class I USD Accumulation
<b>Smart Mobility Fund</b>					
Shares in issue at 1 January 2023	377,777	411,933	11	7,957	502,282
Shares issued during financial year	153,052	264,214	–	39,282	33,803
Shares redeemed during financial year	(129,070)	(536,365)	–	(2,006)	(24,946)
<b>Shares in issue at 31 December 2023</b>	<b>401,759</b>	<b>139,782</b>	<b>11</b>	<b>45,233</b>	<b>511,139</b>
<b>Shares in issue at 31 December 2022</b>	<b>377,777</b>	<b>411,933</b>	<b>11</b>	<b>7,957</b>	<b>502,282</b>

	31 December 2023 – Number of Shares				
	Class R EUR Accumulation	Class R GBP Accumulation	Class R SEK Accumulation	Class R CHF Accumulation	Class R USD Accumulation
<b>Smart Mobility Fund</b> continued					
Shares in issue at 1 January 2023	7,441	135	13	107	100
Shares issued during financial year	2,145	–	517	–	–
Shares redeemed during financial year	–	–	(473)	–	–
<b>Shares in issue at 31 December 2023</b>	<b>9,586</b>	<b>135</b>	<b>57</b>	<b>107</b>	<b>100</b>
<b>Shares in issue at 31 December 2022</b>	<b>7,441</b>	<b>135</b>	<b>13</b>	<b>107</b>	<b>100</b>

	31 December 2023 – Number of Shares				
	Class I GBP Accumulation	Class I GBP Distribution	Class R GBP Accumulation	Class S GBP Accumulation	Class S GBP Distribution
<b>UK Value Opportunities Fund</b>					
Shares in issue at 1 January 2023	10,389,461	8,574,650	131,118	13,318,808	56,063,674
Shares issued during financial year	2,476,483	671,553	6,300	6,747,840	12,084,047
Shares redeemed during financial year	(6,194,509)	(4,591,460)	(46,532)	(6,116,015)	(30,797,985)
<b>Shares in issue at 31 December 2023</b>	<b>6,671,435</b>	<b>4,654,743</b>	<b>90,886</b>	<b>13,950,633</b>	<b>37,349,736</b>
<b>Shares in issue at 31 December 2022</b>	<b>10,389,461</b>	<b>8,574,650</b>	<b>131,118</b>	<b>13,318,808</b>	<b>56,063,674</b>

	31 December 2023 – Number of Shares	
	Class Z GBP Accumulation	Class Z GBP Distribution
<b>UK Value Opportunities Fund</b> continued		
Shares in issue at 1 January 2023	100	–
Shares issued during financial year	–	–
Shares redeemed during financial year	–	–
<b>Shares in issue at 31 December 2023</b>	<b>100</b>	<b>–</b>
<b>Shares in issue at 31 December 2022</b>	<b>100</b>	<b>–</b>



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## 10. Financial Risk Management

The Funds hold financial instruments, which at any one time may comprise securities, cash and derivatives, held in accordance with the investment objective and policies of each Fund.

A review of the portfolio activity for the financial year is available in the Investment Manager's Reports and a detailed analysis of the investments is shown in the Portfolio Statements. Investments listed on the Portfolio Statements are stated at fair value as described in Note 2.

### Risks

The following summary is not intended to be a comprehensive summary of all the risks inherent in investing in the Company and investors should refer to the prospectus for a more detailed discussion of these risks.

### Strategy in using Financial Instruments

The Funds are exposed to a variety of financial risks in pursuing their stated investment objectives and policies. These risks are defined for financial reporting purposes by IFRS as credit risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The Funds take exposure to certain of these risks to generate investment returns on their portfolios, although these risks can also potentially result in a reduction in the Funds' assets. The Investment Managers will use their best endeavours to minimise the potentially adverse effects of these risks on the Funds' performance where it can do so while still managing the investments of the Funds in ways that are consistent with each Fund's investment objectives and policies.

The risks, and the measures adopted by the Company for managing these risks, are detailed over the coming pages.

### Market price risk

Market price risk is the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The assets of the Funds consist principally of equities, equity related securities, fixed income securities, contracts for difference and currency derivatives used for hedging purposes. Credit default swaps, interest rate futures and options are also used by certain Funds from time to time.

The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to a Fund's performance.

The Directors have adopted a number of investment restrictions which are set out in the individual Fund Supplements and which limit the exposure of the Funds to adverse changes in the price of any individual financial asset. In accordance with Company policy, the Investment Managers monitor the Funds' positions on a daily basis and report regularly to the Board of Directors. The Board reviews the information on each Fund's overall market exposure provided by the Investment Managers at its periodic meetings.

In addition, the Investment Managers manage the exposure of the portfolios to the risk of adverse changes in the general level of market prices to the extent consistent, in the judgement of the relevant Investment Manager, with each Fund's respective investment objective.

### Use of Derivatives and Efficient Portfolio Management

Depending on the Funds involved, the Company may invest in derivatives for both investment and efficient portfolio management purposes, subject to the conditions and within the limits from time to time stipulated by the Central Bank under the UCITS Regulations. A number of the Funds use currency forwards to hedge share class exposures.

Apart from the Global Absolute Return Fund and Global Convertible Fund, the Investment Managers have generally only used derivatives instruments in the Funds for the purpose of efficient portfolio management and efficient access to markets during the financial year. This includes contracts for difference, option contracts, forward foreign currency contracts and futures contracts. Risks arising from the use of derivatives at the financial year end are consistent with those set out in the Prospectus.

Open derivative contracts at the financial year end are disclosed in the Portfolio Statements, including the relevant counterparty, the underlying securities, currencies or indices, and the market value or unrealised gain/loss on the contract at the financial year end.

At 31 December 2023, market price risks applying to each Fund are affected by three main components: changes in market prices, interest risk and currency exchange risk.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 10. Financial Risk Management continued

#### Use of Derivatives and Efficient Portfolio Management continued

The following tables show the sensitivity of each Fund (for a representative share class) to changes in market prices based on a 10% price stress test on the portfolio as at 31 December 2023 and 31 December 2022.

As at 31 December 2023		NAV US\$/share 31 December 2023	% Increase/ (decrease) price levels	NAV US\$/share after price impact
Artificial Intelligence Fund I USD Accumulation	US\$	19.07	10	20.93
Artificial Intelligence Fund I USD Accumulation	US\$	19.07	(10)	17.21
Asian Stars Fund I USD Accumulation	US\$	14.95	10	16.45
Asian Stars Fund I USD Accumulation	US\$	14.95	(10)	13.45
Biotechnology Fund Class I US Dollar Distribution	US\$	44.23	10	48.63
Biotechnology Fund Class I US Dollar Distribution	US\$	44.23	(10)	39.83
China Stars Fund I USD Accumulation	US\$	9.33	10	10.21
China Stars Fund I USD Accumulation	US\$	9.33	(10)	8.45
Emerging Market ex-China Stars I USD Accumulation	US\$	10.66	10	11.69
Emerging Market ex-China Stars I USD Accumulation	US\$	10.66	(10)	9.63
Emerging Market Stars Fund I USD Accumulation	US\$	12.16	10	13.37
Emerging Market Stars Fund I USD Accumulation	US\$	12.16	(10)	10.95
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	16.95	10	18.60
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	16.95	(10)	15.30
Global Absolute Return Fund I USD Accumulation	US\$	136.59	10	139.07
Global Absolute Return Fund I USD Accumulation	US\$	136.59	(10)	134.74
Global Convertible Fund Class I US Dollar Accumulation	US\$	14.48	10	15.27
Global Convertible Fund Class I US Dollar Accumulation	US\$	14.48	(10)	13.76
Global Technology Fund Class I US Dollar Distribution	US\$	90.03	10	99.36
Global Technology Fund Class I US Dollar Distribution	US\$	90.03	(10)	81.57
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	19.61	10	21.55
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	19.61	(10)	17.67
Healthcare Discovery Fund Class I US Dollar Accumulation	US\$	12.71	10	13.97
Healthcare Discovery Fund Class I US Dollar Accumulation	US\$	12.71	(10)	11.45
Healthcare Opportunities Fund Class I US Dollar Distribution	US\$	70.99	10	78.07
Healthcare Opportunities Fund Class I US Dollar Distribution	US\$	70.99	(10)	63.91
North American Fund Class I US Dollar Distribution	US\$	39.08	10	42.93
North American Fund Class I US Dollar Distribution	US\$	39.08	(10)	35.23
Smart Energy Fund Class I US Dollar Accumulation	US\$	10.05	10	11.05
Smart Energy Fund Class I US Dollar Accumulation	US\$	10.05	(10)	9.05
Smart Mobility Fund Class I US Dollar Accumulation	US\$	9.10	10	10.00
Smart Mobility Fund Class I US Dollar Accumulation	US\$	9.10	(10)	8.20



As at 31 December 2023		NAV €/share 31 December 2023	% Increase/ (decrease) price levels	NAV €/share after price impact
European ex UK Income Fund Class I Euro Accumulation	EUR	15.69	10	17.23
European ex UK Income Fund Class I Euro Accumulation	EUR	15.69	(10)	14.15

As at 31 December 2023		NAV £/share 31 December 2023	% Increase/ (decrease) price levels	NAV £/share after price impact
Financial Credit Fund I Sterling Accumulation	GBP	3.18	10	3.22
Financial Credit Fund I Sterling Accumulation	GBP	3.18	(10)	3.13
Global Insurance Fund Class I Sterling Accumulation	GBP	10.41	10	11.45
Global Insurance Fund Class I Sterling Accumulation	GBP	10.41	(10)	9.38
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	13.16	10	14.45
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	13.16	(10)	11.87

As at 31 December 2023		NAV ¥/share 31 December 2023	% Increase/ (decrease) price levels	NAV ¥/share after price impact
Japan Value Fund Class S Japanese Yen Distribution	JPY	381.93	10	419.82
Japan Value Fund Class S Japanese Yen Distribution	JPY	381.93	(10)	344.04

As at 31 December 2022		NAV US\$/share 31 December 2022	% Increase/ (decrease) price levels	NAV US\$/share after price impact
Asian Stars Fund I USD Accumulation	US\$	13.80	10	15.18
Asian Stars Fund I USD Accumulation	US\$	13.80	(10)	12.42
Automation & AI Fund I USD Accumulation	US\$	13.84	10	15.20
Automation & AI Fund I USD Accumulation	US\$	13.84	(10)	12.48
Biotechnology Fund Class I US Dollar Distribution	US\$	38.17	10	41.98
Biotechnology Fund Class I US Dollar Distribution	US\$	38.17	(10)	34.35
China Stars Fund I USD Accumulation	US\$	11.25	10	12.36
China Stars Fund I USD Accumulation	US\$	11.25	(10)	10.14
Emerging Market Stars Fund I USD Accumulation	US\$	10.82	10	11.89
Emerging Market Stars Fund I USD Accumulation	US\$	10.82	(10)	9.75
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	15.30	10	16.83
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	15.30	(10)	13.77
Global Absolute Return Fund I USD Accumulation	US\$	131.06	10	144.16
Global Absolute Return Fund I USD Accumulation	US\$	131.06	(10)	117.95
Global Convertible Fund Class I US Dollar Accumulation	US\$	13.48	10	14.83
Global Convertible Fund Class I US Dollar Accumulation	US\$	13.48	(10)	12.13
Global Technology Fund Class I US Dollar Distribution	US\$	58.51	10	64.36
Global Technology Fund Class I US Dollar Distribution	US\$	58.51	(10)	52.66
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	18.48	10	20.27



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Use of Derivatives and Efficient Portfolio Management continued

As at 31 December 2022		NAV US\$/share 31 December 2022	% Increase/ (decrease) price levels	NAV US\$/share after price impact
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	18.48	(10)	16.69
Healthcare Discovery Fund Class I US Dollar Accumulation	US\$	11.79	10	12.96
Healthcare Discovery Fund Class I US Dollar Accumulation	US\$	11.79	(10)	10.62
Healthcare Opportunities Fund Class I US Dollar Distribution	US\$	64.48	10	70.96
Healthcare Opportunities Fund Class I US Dollar Distribution	US\$	64.48	(10)	58.00
North American Fund Class I US Dollar Distribution	US\$	31.76	10	34.94
North American Fund Class I US Dollar Distribution	US\$	31.76	(10)	28.59
Smart Energy Fund Class I US Dollar Accumulation	US\$	8.48	10	9.33
Smart Energy Fund Class I US Dollar Accumulation	US\$	8.48	(10)	7.63
Smart Mobility Fund Class I US Dollar Accumulation	US\$	7.93	10	8.72
Smart Mobility Fund Class I US Dollar Accumulation	US\$	7.93	(10)	7.14

As at 31 December 2022		NAV US\$/share 31 December 2022	% Increase/ (decrease) price levels	NAV US\$/share after price impact
North American Fund Class I US Dollar Distribution	US\$	38.79	10	42.58
North American Fund Class I US Dollar Distribution	US\$	38.79	(10)	35.00
Smart Energy Fund Class I US Dollar Accumulation	US\$	10.64	10	11.70
Smart Energy Fund Class I US Dollar Accumulation	US\$	10.64	(10)	9.58
Smart Mobility Fund Class I US Dollar Accumulation	US\$	10.57	10	11.62
Smart Mobility Fund Class I US Dollar Accumulation	US\$	10.57	(10)	9.52

As at 31 December 2022		NAV €/share 31 December 2022	% Increase/ (decrease) price levels	NAV €/share after price impact
European ex UK Income Fund Class I Euro Accumulation	EUR	13.87	10	15.25
European ex UK Income Fund Class I Euro Accumulation	EUR	13.87	(10)	12.49

As at 31 December 2022		NAV £/share 31 December 2022	% Increase/ (decrease) price levels	NAV £/share after price impact
Global Insurance Fund Class I Sterling Accumulation	GBP	10.27	10	11.29
Global Insurance Fund Class I Sterling Accumulation	GBP	10.27	(10)	9.26
Income Opportunities Fund B2 Sterling Accumulation	GBP	2.98	10	3.28
Income Opportunities Fund B2 Sterling Accumulation	GBP	2.98	(10)	2.68
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	11.99	10	13.19
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	11.99	(10)	10.79



<b>As at 31 December 2022</b>		<b>NAV ¥/share 31 December 2022</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV ¥/share after price impact</b>
Japan Value Fund Class S Japanese Yen Distribution	JPY	305.64	10	336.20
Japan Value Fund Class S Japanese Yen Distribution	JPY	305.64	(10)	275.07

Sensitivity analysis is calculated after an adjustment for swing pricing.

Market price risk analysis is based on the dealing NAV per share. Some limitations of sensitivity analysis are:

- (i) the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- (ii) the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- (iii) the market price information represents a hypothetical outcome and is not intended to be predictive; and
- (iv) future market conditions could vary significantly from those experienced in the past.

### Exposure to derivatives

In respect of the Global Absolute Return Fund, the Investment Manager uses a Value at Risk ('VaR') based approach to limit the exposure of the Fund to derivatives. In accordance with the UCITS Regulations, derivatives exposure is limited to the extent necessary to keep the Fund's VaR within the limit set out below. VaR is measured using a 99% confidence level.

### Global Absolute Return Fund

The VaR limit for the Global Absolute Return Fund is 20% based on a 20-day holding period.

The minimum VaR during the financial year was 1.22%.

The maximum VaR during the financial year was 3.54%.

The average VaR during the financial year was 1.86%.

Gross leverage, calculated as the sum of the absolute notional values of the derivatives used in the Fund, is not anticipated to exceed 250% of Net Asset Value of the Fund at any given time.

All of the other Funds use the commitment approach to measure derivatives exposure.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Each Fund is exposed to currency risk as the assets and liabilities of each Fund may be denominated in a currency other than the base currency of that Fund.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset when measured in the Fund's base currency. The Investment Managers may attempt to mitigate these risks through the use of financial derivative instruments.

Currency transactions undertaken for the Funds will also include hedges against the base or functional currency of the Funds in respect of the values of share classes which are denominated in currencies other than the base currency. These hedges are specific to individual share classes and will not impact all investors.

The Investment Managers monitor each Fund's currency exposure, where relevant to the investment strategy for the Fund, on a daily basis and reports regularly to the Board of Directors.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 10. Financial Risk Management continued

#### Currency risk continued

At 31 December 2023 each Fund's currency exposure was as follows:

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Artificial Intelligence Fund</b>					
Euro	39,022,364	(11)	(2,536)	(20,443)	38,999,374
Japanese yen	65,264,172	–	–	–	65,264,172
Korean won	8,706,775	–	–	–	8,706,775
Sterling	30,622,045	(215)	3,848	(60,386)	30,565,292
Swedish krona	11,754,567	–	16,930	–	11,771,497
Swiss franc	7,148,266	–	–	–	7,148,266
Taiwan dollar	32,239,412	–	–	–	32,239,412
	194,757,601	(226)	18,242	(80,829)	194,694,788

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Stars Fund</b>					
Australian dollar	13,156,442	(301,766)	–	261,344	13,116,020
China yuan	14,019,847	–	(1)	–	14,019,846
Euro	–	–	–	64,326	64,326
Hong Kong dollar	34,905,001	(1,773,334)	–	1,418,247	34,549,914
Indian rupee	49,444,145	(421,232)	489,467	–	49,512,380
Indonesian rupiah	8,985,909	(297,460)	–	271,899	8,960,348
Japanese yen	7,266,306	–	–	–	7,266,306
Korean won	43,126,331	(38,784)	–	22,695	43,110,242
Singapore dollar	–	–	8	–	8
Sterling	–	–	2	(40,570)	(40,568)
Taiwan dollar	42,251,754	(555,762)	–	–	41,695,992
Vietnamese dong	14,610,317	–	71,913	–	14,682,230
	227,766,052	(3,388,338)	561,389	1,997,941	226,937,044

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Biotechnology Fund</b>					
Danish kroner	98,316,811	–	–	–	98,316,811
Euro	166,343,555	(7,380,036)	(18,351)	4,491,305	163,436,473
Sterling	5,961,747	–	3,440,751	62,081,511	71,484,009
Swedish krona	64,964,253	–	–	–	64,964,253
	335,586,366	(7,380,036)	3,422,400	66,572,816	398,201,546



	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>China Stars Fund</b>					
China yuan	3,464,820	(46,676)	240,928	46,676	3,705,748
Euro	136,346	–	–	(2,237)	134,109
Hong Kong dollar	4,890,364	(80,998)	–	80,998	4,890,364
Sterling	164	–	78,447	–	78,611
Taiwan dollar	664,883	–	219,711	–	884,594
Vietnamese dong	–	–	115,407	–	115,407
	9,156,577	(127,674)	654,493	125,437	9,808,833

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Market Income Fund</b>					
Brazil real	–	–	22	–	22
Kuwait dinar	–	–	1	–	1
Malaysian ringgit	–	–	609	–	609
	–	–	632	–	632

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Market ex-China Stars Fund</b>					
Australian dollar	14,541	–	–	–	14,541
Brazil real	109,555	–	(21)	–	109,534
Canadian dollar	37,441	–	–	–	37,441
Indian rupee	219,206	–	–	–	219,206
Indonesian rupiah	33,494	–	–	–	33,494
Korean won	184,516	–	–	–	184,516
Mexican peso	73,673	–	–	–	73,673
Saudi riyal	28,451	–	(370)	–	28,081
Sterling	–	(1)	(112)	–	(113)
Taiwan dollar	199,965	(2,192)	–	–	197,773
Vietnamese dong	30,394	–	17,029	–	47,423
UAE dirham	17,285	–	(4)	–	17,281
	948,521	(2,193)	16,522	–	962,850



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Currency risk continued

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Market Stars Fund</b>					
Australian dollar	15,113,239	–	4	–	15,113,243
Brazil real	98,468,469	(25,904)	(20,006)	–	98,422,559
Canadian dollar	44,528,992	(1,594,639)	–	1,594,639	44,528,992
China yuan	82,409,595	–	–	–	82,409,595
Euro	–	–	5	(115,399)	(115,394)
Hong Kong dollar	153,318,112	(8,272,846)	(464)	6,241,768	151,286,570
Indian rupee	253,379,211	(2,620,792)	2,625,871	–	253,384,290
Indonesian rupiah	27,554,031	(544,896)	–	25,277	27,034,412
Korean won	216,065,797	(361,197)	160	211,305	215,916,065
Mexican peso	66,863,607	(1,729,091)	208	701,425	65,836,149
Polish zloty	–	(1)	(212)	–	(213)
Saudi riyal	18,060,486	–	–	–	18,060,486
Sri Lanka rupee	–	–	12,892	–	12,892
South African rand	–	(3)	(400)	–	(403)
Sterling	–	(972)	29,461	(2,315,941)	(2,287,452)
Swedish krona	–	(56)	(4,883)	(789,691)	(794,630)
Taiwan dollar	244,416,307	(6,997,411)	18,766	587,340	238,025,002
Vietnamese dong	58,909,387	–	3,151,534	–	62,060,921
UAE dirham	23,919,492	–	(6,307)	–	23,913,185
	1,303,006,725	(22,147,808)	5,806,629	6,140,723	1,292,806,269

	Non-EUR currency Assets EUR	Non-EUR currency Liabilities EUR	Non-EUR Cash Balance EUR	Forward Foreign Currency Contracts EUR	Net Non-EUR Currency Assets EUR
<b>European ex UK Income Fund</b>					
Danish kroner	17,559,463	–	–	–	17,559,463
Sterling	–	(821)	78,015	5,587,173	5,664,367
Swedish krona	9,152,070	–	54,650	–	9,206,720
Swiss franc	55,995,337	–	–	–	55,995,337
United States dollar	9,358,540	–	(213)	–	9,358,327
	92,065,410	(821)	132,452	5,587,173	97,784,214



<b>Financial Credit Fund</b>	<b>Non-GBP currency Assets GBP</b>	<b>Non-GBP currency Liabilities GBP</b>	<b>Non-GBP Cash Balance GBP</b>	<b>Forward Foreign Currency Contracts GBP</b>	<b>Net Non-GBP Currency Assets GBP</b>
Euro	7,067,278	–	22,146	(5,445,851)	1,643,573
Norwegian krone	509,098	–	–	(505,752)	3,346
Swedish krona	504,465	–	–	(507,031)	(2,566)
United States dollar	5,149,405	(1,458,943)	(16,266)	834,862	4,509,058
	13,230,246	(1,458,943)	5,880	(5,623,772)	6,153,411

<b>Financial Opportunities Fund</b>	<b>Non-USD currency Assets US\$</b>	<b>Non-USD currency Liabilities US\$</b>	<b>Non-USD Cash Balance US\$</b>	<b>Forward Foreign Currency Contracts US\$</b>	<b>Net Non-USD Currency Assets US\$</b>
Australian dollar	279,168	–	–	–	279,168
Brazil real	–	–	9	–	9
Canadian dollar	382	–	185,780	–	186,162
Euro	1,046,394	–	19,547	–	1,065,941
Hong Kong dollar	327,755	–	–	–	327,755
Indian rupee	1,096,465	–	26,959	–	1,123,424
Indonesian rupiah	414,792	–	–	–	414,792
Japanese yen	195,205	–	–	–	195,205
Mexican peso	143,141	(25,540)	–	25,540	143,141
Singapore dollar	–	–	186	–	186
Sterling	1,844,578	–	1,844	3	1,846,425
Swedish krona	415,160	–	–	–	415,160
Swiss franc	4	–	32,167	–	32,171
Taiwan dollar	3,333	–	78,341	–	81,674
Thai baht	165,994	–	–	–	165,994
Vietnamese dong	–	–	3,111	–	3,111
	5,932,371	(25,540)	347,944	25,543	6,280,318


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2023

**10. Financial Risk Management** continued

**Currency risk** continued

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Absolute Return Fund</b>					
Australian dollar	–	–	111,780	–	111,780
Euro	30,157,035	(29,058,502)	653,723	2,469,776	4,222,032
Hong Kong dollar	27	–	(74,416)	–	(74,389)
Japanese yen	4,821,961	(4,599,531)	221,700	4,256	448,386
Singapore dollar	–	(2,190)	43,424	–	41,234
South African rand	–	–	(118)	–	(118)
Sterling	6,806,505	(576,643)	549,962	74,665,338	81,445,162
Swedish krona	–	–	(1,086)	–	(1,086)
Swiss franc	–	(11,512)	(300,174)	–	(311,686)
	41,785,528	(34,248,378)	1,204,795	77,139,370	85,881,315

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Convertible Fund</b>					
Australian dollar	–	–	(29,992)	–	(29,992)
Canadian dollar	–	–	(36,153)	–	(36,153)
Euro	140,948,344	(56,989,592)	550,397	(18,258,710)	66,250,439
Hong Kong dollar	–	–	308,358	–	308,358
Japanese yen	9,988,651	–	(8,088,299)	(5,768,050)	(3,867,698)
Singapore dollar	–	–	(362,420)	–	(362,420)
South African rand	–	–	(26,602)	–	(26,602)
Sterling	34,857,171	–	35,442	153,792,536	188,685,149
Swiss franc	–	–	919,970	626,284	1,546,254
	185,794,166	(56,989,592)	(6,729,299)	130,392,060	252,467,335

	Non-GBP currency Assets GBP	Non-GBP currency Liabilities GBP	Non-GBP Cash Balance GBP	Forward Foreign Currency Contracts GBP	Net Non-GBP Currency Assets GBP
<b>Global Insurance Fund</b>					
Canadian dollar	182,914,872	–	3,247,558	(3,560,942)	182,601,488
Euro	22,911,233	–	330,308	21,734,573	44,976,114
Hong Kong dollar	43,752,554	–	885,114	(853,747)	43,783,921
Japanese yen	–	–	3	–	3
Swiss franc	57	–	334,116	20,214,878	20,549,051
United States dollar	1,490,541,660	–	44,605,434	(27,427,559)	1,507,719,535
	1,740,120,376	–	49,402,533	10,107,203	1,799,630,112



	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Technology Fund</b>					
Euro	207,133,773	–	(1,546,705)	224,465,052	430,052,120
Indian rupee	–	–	2,912	–	2,912
Japanese yen	331,878,407	(441)	1,501	–	331,879,467
Korean won	135,646,539	–	–	–	135,646,539
Sterling	–	(2,563)	(341,893)	138,173,848	137,829,392
Swiss franc	–	(1)	(90,122)	116,563,312	116,473,189
Taiwan dollar	453,708,708	–	–	–	453,708,708
	1,128,367,427	(3,005)	(1,974,307)	479,202,212	1,605,592,327

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Blue Chip Fund</b>					
Australian dollar	11,344,547	–	–	–	11,344,547
Danish kroner	7,009,072	–	1	–	7,009,073
Euro	18,012,217	(2,817)	(576,084)	1,131	17,434,447
Japanese yen	13,135,557	–	–	–	13,135,557
Sterling	17,621,586	–	218,627	2,373,429	20,213,642
Swedish krona	10,455,386	–	–	–	10,455,386
Swiss franc	17,250,700	–	–	–	17,250,700
	94,829,065	(2,817)	(357,456)	2,374,560	96,843,352

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Discovery Fund</b>					
Danish kroner	524,044	–	–	–	524,044
Euro	605,653	–	(582)	(26,445)	578,626
Indian rupee	198,280	–	–	–	198,280
Japanese yen	388,495	–	–	–	388,495
Sterling	474,200	–	326,167	325	800,692
Swedish krona	137,635	–	–	–	137,635
	2,328,307	–	325,585	(26,120)	2,627,772



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Currency risk continued

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Opportunities Fund</b>					
Danish kroner	162,488,891	–	–	(1,815,232)	160,673,659
Euro	99,439,863	(111)	(32,595)	4,924,742	104,331,899
Hong Kong dollar	46,817,495	–	–	–	46,817,495
Indian rupee	110,441,793	–	3,464	–	110,445,257
Japanese yen	148,411,598	–	334	–	148,411,932
Sterling	66,214,196	(514)	25	302,049	66,515,756
Swedish krona	160,496,490	–	–	(2,118,571)	158,377,919
Swiss franc	–	–	1,835	–	1,835
	794,310,326	(625)	(26,937)	1,292,988	795,575,752

	Non-JPY currency Assets JPY	Non-JPY currency Liabilities JPY	Non-JPY Cash Balance JPY	Forward Foreign Currency Contracts JPY	Net Non-JPY Currency Assets JPY
<b>Japan Value Fund</b>					
Euro	–	(6,959)	(10,710,408)	1,380,423,721	1,369,706,354
Sterling	–	(19,304)	3,476,109	2,637,712,544	2,641,169,349
Swiss franc	–	–	7,605	581,129,402	581,137,007
United States dollar	–	(136,193)	(36,563,552)	5,918,600,260	5,881,900,515
	–	(162,456)	(43,790,246)	10,517,865,927	10,473,913,225

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>North American Fund</b>					
Canadian dollar	88,213,754	–	73,062	–	88,286,816
Euro	–	–	(58,633)	53,463,111	53,404,478
Sterling	119	–	75,791	35,599,600	35,675,510
Swiss franc	–	–	–	461,355	461,355
	88,213,873	–	90,220	89,524,066	177,828,159



	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Smart Energy Fund</b>					
Australian dollar	4,983,339	–	–	–	4,983,339
Canadian dollar	21,322,418	–	–	–	21,322,418
China yuan	2,865,522	–	–	–	2,865,522
Euro	29,053,394	–	1,754	9,410	29,064,558
Japanese yen	30,296,012	–	–	(198,296)	30,097,716
Korean won	7,682,471	–	–	–	7,682,471
Sterling	1,584,812	(38)	(3,682)	(65,393)	1,515,699
Swedish krona	–	–	–	33,808	33,808
Swiss franc	7,799,917	–	–	–	7,799,917
Taiwan dollar	14,186,165	–	–	–	14,186,165
	119,774,050	(38)	(1,928)	(220,471)	119,551,613

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Smart Mobility Fund</b>					
Australian dollar	268,709	–	–	–	268,709
Canadian dollar	97,103	–	–	–	97,103
China yuan	152,699	–	–	–	152,699
Euro	1,361,790	–	(1,355)	(48,860)	1,311,575
Japanese yen	540,016	–	–	–	540,016
Korean won	940,728	–	–	–	940,728
Sterling	103,309	(16)	(2,678)	1,306	101,921
Swiss franc	913,990	–	1	–	913,991
Taiwan dollar	465,177	–	–	–	465,177
	4,843,521	(16)	(4,032)	(47,554)	4,791,919

	Non-GBP currency Assets GBP	Non-GBP currency Liabilities GBP	Non-GBP Cash Balance GBP	Forward Foreign Currency Contracts GBP	Net Non-GBP Currency Assets GBP
<b>UK Value Opportunities Fund</b>					
Euro	–	–	(1)	–	(1)
United States dollar	4	–	2,974	–	2,978
	4	–	2,973	–	2,977



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Currency risk continued

At 31 December 2022 each Fund's currency exposure was as follows:

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Stars Fund</b>					
Australian dollar	4,494,237	–	–	–	4,494,237
China yuan	6,709,228	–	(1)	–	6,709,227
Hong Kong dollar	41,614,269	–	–	–	41,614,269
Indian rupee	24,644,414	–	71,338	–	24,715,752
Japanese yen	1,186,924	–	–	–	1,186,924
Korean won	16,793,106	–	–	–	16,793,106
Singapore dollar	1,191,331	–	8	–	1,191,339
Sterling	–	(31)	–	–	(31)
Taiwan dollar	23,573,281	–	–	–	23,573,281
Vietnamese dong	6,894,698	–	649,579	–	7,544,277
	127,101,488	(31)	720,924	–	127,822,381
<b>Automation &amp; Artificial Intelligence</b>					
Euro	30,829,570	(72)	(27,583)	–	30,801,915
Hong Kong dollar	13,204,397	–	–	–	13,204,397
Japanese yen	52,795,402	–	–	–	52,795,402
Korean won	2,333,069	–	–	–	2,333,069
Sterling	20,891,093	(54)	14,170	–	20,905,209
Swedish krona	22,458,398	–	–	–	22,458,398
Swiss franc	5,064,129	–	–	–	5,064,129
Taiwan dollar	12,103,348	–	–	–	12,103,348
	159,679,406	(126)	(13,413)	–	159,665,867
<b>Biotechnology Fund</b>					
Danish kroner	118,655,683	–	–	–	118,655,683
Euro	203,365,814	(26)	(6,559)	–	203,359,229
Sterling	59,153,216	(3,535)	(828,540)	51,374,827	109,695,968
Swedish krona	23,659,964	–	–	–	23,659,964
	404,834,677	(3,561)	(835,099)	51,374,827	455,370,844



	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>China Stars Fund</b>					
China yuan	5,206,100	–	247,952	–	5,454,052
Euro	181,453	–	246	–	181,699
Hong Kong dollar	8,764,622	–	–	–	8,764,622
Sterling	18	–	29,323	–	29,341
Taiwan dollar	1,015,552	(231,170)	219,389	231,170	1,234,941
Vietnamese dong	–	–	118,770	–	118,770
	15,167,745	(231,170)	615,680	231,170	15,783,425
<b>Emerging Markets Income Fund</b>					
Brazil real	–	–	20	–	20
Kuwait dinar	–	–	1	–	1
Malaysian ringgit	–	–	636	–	636
	–	–	657	–	657
<b>Emerging Market Stars Fund</b>					
Australian dollar	24,148,347	(556,746)	4	556,746	24,148,351
Brazil real	46,636,700	(1,107,765)	1,093,013	–	46,621,948
Canadian dollar	31,642,521	–	–	–	31,642,521
China yuan	40,095,145	–	–	–	40,095,145
Euro	–	(132)	–	–	(132)
Hong Kong dollar	282,163,750	(6,609,166)	(465)	6,609,164	282,163,284
Indian rupee	182,322,179	(3,793,716)	3,341,070	–	181,869,533
Indonesian rupiah	–	–	–	–	–
Korean won	121,217,949	(2,877,405)	163	–	118,340,707
Mexican peso	15,621,996	–	181	–	15,622,177
Polish zloty	–	(1)	(189)	–	(190)
Saudi riyal	18,864,639	(442,605)	442,605	–	18,864,639
Sri Lanka rupee	–	–	11,358	–	11,358
South African rand	–	(3)	(430)	–	(433)
Sterling	–	(33)	336,308	(239,273)	97,002
Swedish krona	–	(61)	(111)	–	(172)
Taiwan dollar	170,338,351	(3,946,402)	18,738	3,696,308	170,106,995
Vietnamese dong	42,879,675	(615,680)	6,120,888	–	48,384,883
	975,931,252	(19,949,715)	11,363,134	10,622,945	977,967,616



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 10. Financial Risk Management continued

#### Currency risk continued

European ex UK Income Fund	Non-EUR currency Assets EUR	Non-EUR currency Liabilities EUR	Non-EUR Cash Balance EUR	Forward Foreign Currency Contracts EUR	Net Non-EUR Currency Assets EUR
Danish kroner	3,618,052	–	–	–	3,618,052
Sterling	–	(542)	(5,397,667)	6,992,564	1,594,355
Swedish krona	5,679,472	–	–	–	5,679,472
Swiss franc	25,862,861	–	–	(2,597,370)	23,265,491
United States dollar	7	–	2,122	–	2,129
	35,160,392	(542)	(5,395,545)	4,395,194	34,159,499

Financial Opportunities Fund	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Australian dollar	232,808	–	285,885	–	518,693
Brazil real	–	–	9	–	9
Canadian dollar	589,060	–	180,796	–	769,856
Euro	1,297,249	–	238,514	–	1,535,763
Hong Kong dollar	1,187,506	(37,732)	–	37,732	1,187,506
Indian rupee	1,456,113	–	27,116	–	1,483,229
Indonesian rupiah	760,209	–	–	–	760,209
Japanese yen	565,945	–	–	–	565,945
Malaysian ringgit	216,568	–	–	–	216,568
Norwegian krone	409,034	–	–	–	409,034
Singapore dollar	445,118	–	183	–	445,301
Sterling	1,913,476	(2)	624	–	1,914,098
Swedish krona	262,461	–	–	–	262,461
Swiss franc	387,577	(16)	29,262	–	416,823
Taiwan dollar	77,663	–	76,969	–	154,632
Thai baht	95,424	(95,968)	–	–	(544)
Vietnamese dong	157,923	(19,154)	20,187	–	158,956
	10,054,134	(152,872)	859,545	37,732	10,798,539



	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Absolute Return Fund</b>					
Australian dollar	–	–	107,354	–	107,354
Euro	50,826,610	(41,792,679)	(4,000,060)	6,916,587	11,950,458
Hong Kong dollar	274	–	50,412	–	50,686
Japanese yen	7,763,973	(7,840,890)	413,261	4,591	340,935
Sterling	15,862,212	(9,162,916)	(1,641,581)	37,186,439	42,244,154
Swedish krona	–	–	(1,007)	–	(1,007)
Swiss franc	5,806,300	(6,141,772)	(3,406)	–	(338,878)
	80,259,369	(64,938,257)	(5,075,027)	44,107,617	54,353,702
<b>Global Convertible Fund</b>					
	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Australian dollar	–	–	(28,503)	–	(28,503)
Canadian dollar	–	–	(33,194)	–	(33,194)
Euro	150,003,143	(98,659,170)	(95,594,229)	5,803,309	(38,446,947)
Hong Kong dollar	10,443,562	–	2,531	–	10,446,093
Israel shekel	1,307,769	–	–	–	1,307,769
Japanese yen	23,840,341	–	(849,534)	(10,080,978)	12,909,829
Singapore dollar	–	–	(64,656)	–	(64,656)
South African rand	–	–	(1,425)	–	(1,425)
Sterling	59,133,704	(21,103,408)	(279,691)	170,579,604	208,330,209
Swiss franc	37,772,914	–	1,786,517	844,859	40,404,290
	282,501,433	(119,762,578)	(95,062,184)	167,146,794	234,823,465
<b>Global Insurance Fund</b>					
	Non-GBP currency Assets GBP	Non-GBP currency Liabilities GBP	Non-GBP Cash Balance GBP	Forward Foreign Currency Contracts GBP	Net Non-GBP Currency Assets GBP
Canadian dollar	215,092,372	–	2,696,695	(2,703,116)	215,085,951
Euro	30,493,528	–	316,563	27,758,860	58,568,951
Hong Kong dollar	61,758,588	–	747,168	(748,412)	61,757,344
Japanese yen	–	–	4	–	4
Swiss franc	–	(970)	(23,462)	16,995,244	16,970,812
United States dollar	1,877,342,888	(3,170,861)	34,753,283	(19,478,373)	1,889,446,937
	2,184,687,376	(3,171,831)	38,490,251	21,824,203	2,241,829,999



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Currency risk continued

	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Technology Fund</b>					
Euro	171,836,442	–	(153,806)	194,276,398	365,959,034
Hong Kong dollar	126,693,210	–	–	–	126,693,210
Indian rupee	–	–	2,929	–	2,929
Japanese yen	195,877,632	–	1,603	–	195,879,235
Korean won	63,539,258	–	–	–	63,539,258
Sterling	–	(2,413)	(992,685)	139,006,384	138,011,286
Swiss franc	–	(4)	(245,008)	80,971,029	80,726,017
Taiwan dollar	186,384,448	–	–	–	186,384,448
	744,330,990	(2,417)	(1,386,967)	414,253,811	1,157,195,417
<b>Healthcare Blue Chip Fund</b>					
	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Danish kroner	7,888,725	–	–	–	7,888,725
Euro	19,829,216	(8,661)	(182)	1,095	19,821,468
Indian rupee	3,931,366	–	–	–	3,931,366
Japanese yen	10,490,767	–	–	–	10,490,767
Sterling	9,635,133	–	183,724	2,186,504	12,005,361
Swedish krona	5,125,646	–	–	–	5,125,646
Swiss franc	22,279,855	–	–	–	22,279,855
	79,180,708	(8,661)	183,542	2,187,599	81,543,188
<b>Healthcare Discovery Fund</b>					
	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Danish kroner	2,861,121	–	–	–	2,861,121
Euro	2,067,022	(1)	(290)	–	2,066,731
Indian rupee	1,869,907	–	912,507	–	2,782,414
Japanese yen	1,689,870	–	–	–	1,689,870
Sterling	259,033	(3)	–	–	259,030
Swedish krona	1,179,182	–	–	–	1,179,182
	9,926,135	(4)	912,217	–	10,838,348



	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Opportunities Fund</b>					
Danish kroner	90,765,777	–	–	–	90,765,777
Euro	97,665,579	(79)	(72,569)	6,538,876	104,131,807
Indian rupee	116,480,014	–	45,519,210	–	161,999,224
Japanese yen	171,752,262	–	357	–	171,752,619
Sterling	108,325,722	(684)	(19,102)	–	108,305,936
Swedish krona	73,341,167	–	–	–	73,341,167
Swiss franc	–	(1)	1,670	–	1,669
	658,330,521	(764)	45,429,566	6,538,876	710,298,199
<b>Income Opportunities Fund</b>					
	Non-GBP currency Assets GBP	Non-GBP currency Liabilities GBP	Non-GBP Cash Balance GBP	Forward Foreign Currency Contracts GBP	Net Non-GBP Currency Assets GBP
Euro	9,311,926	–	44,163	2,162,855	11,518,944
Japanese yen	–	(60,596)	1,782,122	–	1,721,526
Korean won	505,978	–	–	–	505,978
Norwegian krone	712,809	–	–	–	712,809
Singapore dollar	566,619	–	–	–	566,619
Swedish krona	547,488	–	–	–	547,488
Swiss franc	723,495	–	–	–	723,495
Thai baht	799,242	–	–	–	799,242
United States dollar	13,433,359	–	106,421	7,207,661	20,747,441
	26,600,916	(60,596)	1,932,706	9,370,516	37,843,542
<b>Japan Value Fund</b>					
	Non-JPY currency Assets JPY	Non-JPY currency Liabilities JPY	Non-JPY Cash Balance JPY	Forward Foreign Currency Contracts JPY	Net Non-JPY Currency Assets JPY
Euro	–	(4,089)	(1,426,926)	1,004,290,767	1,002,859,752
Sterling	–	(11,053)	(67,227,080)	2,391,882,997	2,324,644,864
Swiss franc	–	–	(20,229,595)	480,715,520	460,485,925
United States dollar	–	(76,150)	(17,911,844)	4,891,014,322	4,873,026,328
	–	(91,292)	(106,795,445)	8,767,903,606	8,661,016,869



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Currency risk continued

North American Fund	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Canadian dollar	74,750,322	–	61,714	–	74,812,036
Euro	–	–	(2,035,202)	50,838,871	48,803,669
Sterling	57	–	9,149	56,569,732	56,578,938
Swiss franc	–	–	–	988,647	988,647
	74,750,379	–	(1,964,339)	108,397,250	181,183,290

Smart Energy Fund	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Australian dollar	1,522,515	–	–	–	1,522,515
Canadian dollar	6,664,774	–	–	–	6,664,774
China yuan	1,137,241	–	–	–	1,137,241
Danish kroner	1,429,609	(479)	(229,616)	–	1,199,514
Euro	27,062,189	(424,257)	(75,259)	(184,106)	26,378,567
Hong Kong dollar	2,097,515	(124,444)	–	124,444	2,097,515
Japanese yen	14,509,585	–	–	(216,428)	14,293,157
Korean won	2,100,870	–	–	–	2,100,870
Norwegian krone	1,331,032	–	–	–	1,331,032
Sterling	573,215	(58)	(4,265)	–	568,892
Swiss franc	3,425,594	–	–	–	3,425,594
Taiwan dollar	6,842,666	(32,664)	21,388	–	6,831,390
	68,696,805	(581,902)	(287,752)	(276,090)	67,551,061

Smart Mobility Fund	Non-USD currency Assets US\$	Non-USD currency Liabilities US\$	Non-USD Cash Balance US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Australian dollar	143,734	–	–	–	143,734
China yuan	142,155	–	–	–	142,155
Euro	2,140,412	(2)	(1,085)	–	2,139,325
Hong Kong dollar	172,737	(24,889)	–	24,889	172,737
Japanese yen	975,526	–	–	–	975,526
Korean won	580,129	–	–	–	580,129
Sterling	66,140	(45)	(2,181)	–	63,914
Swiss franc	934,004	–	–	–	934,004
Taiwan dollar	627,792	–	–	–	627,792
	5,782,629	(24,936)	(3,266)	24,889	5,779,316



UK Value Opportunities Fund	Non-GBP currency Assets GBP	Non-GBP currency Liabilities GBP	Non-GBP Cash Balance GBP	Forward Foreign Currency Contracts GBP	Net Non-GBP Currency Assets GBP
Euro	–	(12)	(4,799)	–	(4,811)
United States dollar	–	(216)	(55,238)	–	(55,454)
	–	(228)	(60,037)	–	(60,265)

If the exchange rate at 31 December 2023 between the individual Funds' base currencies and all other relevant currencies had increased or decreased by 5% with all other variables held constant, excluding the effect of the share class hedges, this would have decreased or increased net assets attributable to holders of redeemable participating shares of the Funds as set out below.

As at 31 December 2023	Net Non-US\$ Currency Assets US\$	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease US\$
Artificial Intelligence Fund	194,694,788	5	+/- 9,734,739
Asian Stars Fund	226,937,044	5	+/- 11,346,852
Biotechnology Fund	398,201,546	5	+/- 19,910,077
China Stars Fund	9,808,833	5	+/- 490,442
Emerging Market ex-China Stars Fund	962,850	5	+/- 48,143
Emerging Market Stars Fund	1,292,806,269	5	+/- 64,640,313
Emerging Markets Income Fund	632	5	+/- 32
Financial Opportunities Fund	6,280,318	5	+/- 314,016
Global Absolute Return Fund	85,881,315	5	+/- 4,294,066
Global Convertible Fund	252,467,335	5	+/- 12,623,367
Global Technology Fund	1,605,592,327	5	+/- 80,279,616
Healthcare Blue Chip Fund	96,843,352	5	+/- 4,842,168
Healthcare Discovery Fund	2,627,772	5	+/- 131,389
Healthcare Opportunities Fund	795,575,752	5	+/- 39,778,788
North American Fund	177,828,159	5	+/- 8,891,408
Smart Energy Fund	119,551,613	5	+/- 5,977,581
Smart Mobility Fund	4,791,919	5	+/- 239,596

As at 31 December 2023	Net Non-JPY Currency Assets JPY	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease JPY
Japan Value Fund	10,473,913,225	5	+/- 523,695,661



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 10. Financial Risk Management continued

#### Currency risk continued

As at 31 December 2023	Net Non-GBP Currency Assets GBP	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease GBP
Financial Credit Fund	6,153,411	5	+/- 307,671
Global Insurance Fund	1,799,630,112	5	+/- 89,981,506
UK Value Opportunities Fund	2,977	5	+/- 149

As at 31 December 2023	Net Non-EUR Currency Assets EUR	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease EUR
European ex UK Income Fund	97,784,214	5	+/- 4,889,211

As at 31 December 2022	Net Non-US\$ Currency Assets US\$	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease US\$
Artificial Intelligence Fund	159,665,867	5	+/- 7,983,293
Asian Stars Fund	127,822,381	5	+/- 6,391,119
Biotechnology Fund	455,370,844	5	+/- 22,768,542
China Stars Fund	15,783,425	5	+/- 789,171
Emerging Market Stars Fund	977,967,616	5	+/- 48,898,381
Emerging Markets Income Fund	657	5	+/- 33
Financial Opportunities Fund	10,798,539	5	+/- 539,927
Global Absolute Return Fund	54,353,702	5	+/- 2,717,685
Global Convertible Fund	234,823,465	5	+/- 11,741,173
Global Technology Fund	1,157,195,417	5	+/- 57,859,771
Healthcare Blue Chip Fund	81,543,188	5	+/- 4,077,159
Healthcare Discovery Fund	10,838,348	5	+/- 541,917
Healthcare Opportunities Fund	710,298,199	5	+/- 35,514,910
North American Fund	181,183,290	5	+/- 9,059,165
Smart Energy Fund	67,551,061	5	+/- 3,377,553
Smart Mobility Fund	5,779,316	5	+/- 288,966



<b>As at 31 December 2022</b>	<b>Net Non-JPY Currency Assets JPY</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/ decrease JPY</b>
Japan Value Fund	8,661,016,869	5	+/- 433,050,843

<b>As at 31 December 2022</b>	<b>Net Non-GBP Currency Assets GBP, GBP and GBP</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/ decrease GBP, GBP and GBP</b>
Global Insurance Fund	2,241,829,999	5	+/- 112,091,500
Income Opportunities Fund	37,843,542	5	+/- 1,892,177
UK Value Opportunities Fund	(60,265)	5	+/- (3,013)

<b>As at 31 December 2022</b>	<b>Net Non-EUR Currency Assets EUR</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/ decrease EUR</b>
European ex UK Income Fund	34,159,499	5	+/- 1,707,975

### Interest rate risk

Most of the Funds' financial assets and liabilities are non-interest bearing and any excess cash and cash equivalents are invested at short term market interest rates. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

The three Funds which invest in interest bearing securities are the Global Absolute Return Fund, the Global Convertible Fund and the Financial Credit Fund and as such their net asset values are exposed to changes in interest rates, the risk being that if interest rates rise, they will cause the value of the interest-bearing securities component of the Funds' portfolio to decline. These portfolios consist of a variety of positions with varying maturity dates; in general, the longer the period to maturity of the securities, the greater the risk that the net asset value will decline as a result of an increase in interest rates. The Investment Manager of these Funds regularly monitors the portfolio and particularly the spread of maturity dates and portfolio balances to achieve the investment objective in line with change in interest rates.

As part of its monitoring process the Investment Manager, when looking at individual bonds and the portfolios as a whole, will consider their sensitivity to changes in interest rates. This will include taking into account their position in the capital structure, whether they have fixed maturities or are perpetual, and whether they have call dates. If they have call dates, the terms if not called will be considered, whether fixed or floating, and what margin over the relevant risk free rate the bond will yield if not called. The Investment Managers will also compare the yield on corporate bonds relative to government bonds and the impact that this may have in increasing or reducing the sensitivity of the portfolio to moves in interest rates.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Interest rate risk continued

## Financial Credit Fund

31 December 2023	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (US\$)	Total (US\$)
Financial assets at fair value through profit or loss	–	783,716	21,049,506	1,957,299	23,790,521
Amounts receivable on sale of redeemable participating shares	–	–	–	42,197	42,197
Amounts receivable on sale of securities	–	–	–	2,291,323	2,291,323
Cash at bank	624,350	–	–	–	624,350
Other debtors	–	–	–	341,307	341,307
Financial derivative instruments	–	–	–	(19,476)	(19,476)
Fees and sundry creditors payable	–	–	–	(1,672,210)	(1,672,210)
<b>Total</b>	<b>624,350</b>	<b>783,716</b>	<b>21,049,506</b>	<b>2,940,440</b>	<b>25,398,012</b>

31 December 2022	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (US\$)	Total (US\$)
Financial assets at fair value through profit or loss	–	53,252	3,908,601	42,743,642	46,705,495
Amounts receivable on sale of redeemable participating shares	–	–	–	21,800	21,800
Cash at bank	2,097,956	–	–	–	2,097,956
Margin cash	–	–	–	741,899	741,899
Other debtors	–	–	–	378,939	378,939
Financial derivative instruments	–	–	–	194,797	194,797
Fees and sundry creditors payable	–	–	–	(352,933)	(352,933)
<b>Total</b>	<b>2,097,956</b>	<b>53,252</b>	<b>3,908,601</b>	<b>43,728,144</b>	<b>49,787,953</b>

As at 31 December 2023, should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.61% (31 December 2022: 0.29%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.61% (31 December 2023: 0.28%).



## Global Absolute Return Fund

31 December 2023	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (US\$)	Total (US\$)
Financial assets at fair value through profit or loss	–	–	83,525,681	–	83,525,681
Amounts receivable on sale of redeemable participating shares	–	–	–	495,365	495,365
Amounts receivable on sale of securities	–	–	–	7,714,214	7,714,214
Cash at bank	10,517,967	–	–	–	10,517,967
Margin cash	–	–	–	2,874,545	2,874,545
Other debtors	–	–	–	492,370	492,370
Financial derivative instruments	–	–	722,987	(3,407,273)	(2,684,286)
Fees and sundry creditors payable	–	–	–	(2,046,411)	(2,046,411)
<b>Total</b>	10,517,967	–	84,248,668	6,122,810	100,889,445

31 December 2022	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (US\$)	Total (US\$)
Financial assets at fair value through profit or loss	–	6,079,946	83,397,890	21,444,129	110,921,965
Cash at bank	(3,615,854)	–	–	–	(3,615,854)
Margin cash	–	–	–	2,155,848	2,155,848
Other debtors	–	–	–	673,202	673,202
Financial derivative instruments	(5,500)	78,941	2,009,337	(2,468,044)	(385,266)
Fees and sundry creditors payable	–	–	–	(1,015,319)	(1,015,319)
<b>Total</b>	(3,621,354)	6,158,887	85,407,227	20,789,816	108,734,576

As at 31 December 2023, should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.42% (31 December 2022: 0.45%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.41% (31 December 2022: 0.45%).



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Interest rate risk continued

## Global Convertible Fund

31 December 2023	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (US\$)	Total (US\$)
Financial assets at fair value through profit or loss	–	–	442,059,823	45,330,632	487,390,455
Amounts receivable on sale of redeemable participating shares	–	–	–	99,186	99,186
Cash at bank	(7,519,743)	–	–	–	(7,519,743)
Margin cash	–	–	–	24,834,645	24,834,645
Other debtors	–	–	–	2,028,414	2,028,414
Financial derivative instruments	–	–	7,068,516	2,948,716	10,017,232
Fees and sundry creditors payable	–	–	–	(4,621,400)	(4,621,400)
<b>Total</b>	(7,519,743)	–	449,128,339	70,620,193	512,228,789

31 December 2022	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (US\$)	Total (US\$)
Financial assets at fair value through profit or loss	–	15,897,191	638,281,877	90,823,928	745,002,996
Amounts receivable on sale of redeemable participating shares	–	–	–	394,502	394,502
Cash at bank	(24,027,850)	–	–	–	(24,027,850)
Margin cash	–	–	–	27,208,750	27,208,750
Other debtors	–	–	–	3,729,112	3,729,112
Financial derivative instruments	–	536,142	5,841,317	(8,875,773)	(2,498,315)
Fees and sundry creditors payable	–	–	–	(1,892,848)	(1,892,848)
<b>Total</b>	(24,027,850)	16,433,333	644,123,194	111,387,671	747,916,347

As at 31 December 2023 should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.42% (31 December 2022: 0.64%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares for the period by 0.41% (31 December 2022: 0.63%).



## Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The majority of the Funds' financial assets are equity securities. As a result, they are not subject to significant amounts of credit risk.

The credit rating of the fixed income securities held in the three Funds that do invest in debt securities were as follows at 31 December 2023 and 31 December 2022.

Financial Credit Fund	31 December 2023		31 December 2022	
	% Holding	Value GBP	% Holding	Value GBP
AA+	2.36%	515,839	–	–
A-	6.74%	1,472,202	–	–
BBB+	6.47%	1,411,917	6.29%	1,280,410
BBB	6.97%	1,521,227	5.72%	1,163,725
BBB-	7.07%	1,542,590	5.23%	1,063,887
BB+	10.68%	2,332,196	9.22%	1,876,208
BB	1.48%	322,963	5.26%	1,070,277
BB-	5.16%	1,127,411	–	–
B+	5.41%	1,180,744	10.30%	2,097,765
B	–	–	4.09%	832,868
NR	47.66%	10,406,133	53.89%	10,970,098
<b>Total</b>	<b>100.00%</b>	<b>21,833,222</b>	<b>100.00%</b>	<b>20,355,238</b>

Global Absolute Return Fund	31 December 2023		31 December 2022	
	% Holding	Value US\$	% Holding	Value US\$
BBB+	3.99%	3,331,800	–	–
BBB	3.90%	3,256,500	–	–
NR	92.11%	76,937,381	100.00%	107,123,965
<b>Total</b>	<b>100.00%</b>	<b>83,525,681</b>	<b>100.00%</b>	<b>107,123,965</b>

Global Convertible Fund	31 December 2023		31 December 2022	
	% Holding	Value US\$	% Holding	Value US\$
A-	–	–	3.66%	27,250,281
BBB+	–	–	1.43%	10,697,404
BBB	2.00%	9,769,500	1.67%	12,411,250
BBB-	–	–	1.73%	12,914,050
NR	98.00%	477,620,955	91.51%	681,730,011
<b>Total</b>	<b>100.00%</b>	<b>487,390,455</b>	<b>100.00%</b>	<b>745,002,996</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 10. Financial Risk Management continued

#### Credit risk on settlement

Transactions in securities are generally settled or paid for on delivery or cleared through the appropriate clearing system for the market on which the securities are traded. The risk of default is not considered to be material, as delivery of securities sold is only made once the Depository has received confirmation of payment. Payment is also only made on a purchase once confirmation of delivery of the securities has been received by the Depository. The trade will fail if either party fails to deliver the required confirmations.

#### Credit risk on cash and receivables

The Company has an exposure for cash at bank, margin cash and margin receivable as an unsecured creditor to either counterparty risk which would involve a significant risk of loss in the event of a default by either. Credit risk for sundry debtors is considered immaterial.

At 31 December 2023 and 31 December 2022, none of the Funds' financial assets were past due or impaired.

The Investment Manager monitors each Fund's credit exposure, where relevant to the Fund's investment strategy, on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

#### Credit risk statement

The Depository is responsible for the safe-keeping of assets. The Depository has appointed The Northern Trust Company ('TNTC') as its global sub-custodian. Both the Depository and TNTC are wholly owned subsidiaries of Northern Trust Corporation ('NTC'). As at 31 December 2023, NTC had a long-term credit rating from Standard & Poor's of A+ (31 December 2022: A+).

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the relevant Fund, clearly identifiable as belonging to the relevant Fund, and distinct and separately from the proprietary assets of TNTC, Depository and NTC.

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the relevant Fund, clearly identifiable as belonging to the relevant Fund, and distinct and separately from the proprietary assets of TNTC, Depository and NTC.

The Depository verifies the Fund's ownership of other assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

In addition TNTC, as banker, holds cash of the Fund on deposit, with the exception of amounts in Jordanian Dinar, Saudi Riyal, cash in Chinese onshore accounts, which are held with the relevant local sub-custodian / financial institution in the market. Such cash is held on the balance sheet of TNTC or the relevant local bank concerned. In the event of insolvency of TNTC or the relevant bank concerned, in accordance with standard banking practice, the Company will rank as an unsecured creditor of TNTC and the relevant local bank in respect of any cash deposits.

The insolvency of the Depository or one of its agents or affiliates may cause the Funds' rights with respect to their assets to be delayed.

As noted in Note 2 (E), Cash at bank and bank overdraft balances are comprised of cash balances held at TNTC. As at 31 December 2023 cash was held with counterparties and brokers as follows:

Financial Credit Fund: GBP(124,179) (31 December 2022: GBP741,899)  
 Global Absolute Return Fund: US\$2,874,545 (31 December 2022: US\$1,754,196)  
 Global Convertible Fund: US\$24,834,645 (31 December 2022: US\$6,226,037)  
 Global Technology Fund: US\$279,436 (31 December 2022: US\$Nil)

The Funds' counterparties and brokers had the following long-term credit ratings from Standard & Poor's as at 31 December 2023:

UBS AG: A+ (31 December 2022: A+).



## Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Funds are exposed to daily cash redemptions of redeemable participating shares. The Funds invest the majority of their assets in securities and other instruments that are traded on an active market and which are considered to be liquid as under normal market conditions, they can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses.

In accordance with Company policy, the Investment Managers monitor the Funds' liquidity on a daily basis and report regularly to the Board of Directors, which reviews the information provided by the Investment Managers on significant exposures at its periodic meetings.

The Funds' listed securities are considered to be readily realisable as they are principally listed on major European, Asian and US stock exchanges. At 31 December 2023 and 31 December 2022, the Funds all held liquid assets and liabilities that could be realised in less than one month. The residual contractual maturities of financial liabilities held by the Funds are all within 3 months.

## Offsetting Financial Instruments

The Company has not offset any financial assets and financial liabilities in the Statement of Financial Position. Financial assets and financial liabilities which are subject to enforceable master netting arrangements are detailed in the tables below.

	Gross amounts of recognised assets 2023 GBP	Gross amounts offset in the statement of financial position 2023 GBP	Net amount presented on the statement of financial position 2023 GBP	Related amounts not set off in the Statement of Financial Position		Net amounts 2023 GBP
				Financial instruments 2023 GBP	Cash collateral pledged/ received 2023 GBP	
<b>Financial Credit Fund</b>						
<b>Assets</b>						
Forward foreign currency contracts	22,858	–	22,858	(22,858)	–	–
<b>Total</b>	22,858	–	22,858	(22,858)	–	–
<b>Liabilities</b>						
Forward foreign currency contracts	(42,334)	–	(42,334)	22,858	–	(19,476)
<b>Total</b>	(42,334)	–	(42,334)	22,858	–	(19,476)

	Gross amounts of recognised assets 2023 US\$	Gross amounts offset in the statement of financial position 2023 US\$	Net amount presented on the statement of financial position 2023 US\$	Related amounts not set off in the Statement of Financial Position		Net amounts 2023 US\$
				Financial instruments 2023 US\$	Cash collateral pledged/ received 2023 US\$	
<b>Global Absolute Return Fund</b>						
<b>Assets</b>						
Contracts for Difference (on Equities)	472,187	–	472,187	(472,187)	–	–
Contracts for Difference (on Bonds)	1,513,303	–	1,513,303	(395,223)	–	1,118,080
Futures contracts	6,200	–	6,200	(6,200)	–	–
Forward foreign currency contracts	480,975	–	480,975	(2,750)	–	478,225
<b>Total</b>	2,472,665	–	2,472,665	(876,360)	–	1,596,305
<b>Liabilities</b>						
Contracts for Difference (on Equities)	(4,724,640)	–	(4,724,640)	472,187	–	(4,252,453)
Contracts for Difference (on Bonds)	(395,223)	–	(395,223)	395,223	–	–
Futures contracts	(34,338)	–	(34,338)	6,200	–	(28,138)
Forward foreign currency contracts	(2,750)	–	(2,750)	2,750	–	–
<b>Total</b>	(5,156,951)	–	(5,156,951)	876,360	–	(4,280,591)



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Offsetting Financial Instruments continued

	Gross amounts of recognised assets 2022 US\$	Gross amounts offset in the statement of financial position 2022 US\$	Net amount presented on the statement of financial position 2022 US\$	Related amounts not set off in the Statement of Financial Position		Net amounts 2022 US\$
				Financial instruments 2022 US\$	Cash collateral pledged/ received 2022 US\$	
<b>Global Absolute Return Fund</b>						
<b>Assets</b>						
Contracts for Difference (on Equities)	3,750,204	–	3,750,204	(3,750,204)	–	–
Contracts for Difference (on Bonds)	4,050,896	–	4,050,896	(2,293,345)	–	1,757,551
Futures contracts	57,523	–	57,523	(7,875)	–	49,648
Forward foreign currency contracts	14,689	–	14,689	(14,689)	–	–
<b>Total</b>	<b>7,873,312</b>	<b>–</b>	<b>7,873,312</b>	<b>(6,066,113)</b>	<b>–</b>	<b>1,807,199</b>
<b>Liabilities</b>						
Contracts for Difference (on Equities)	(5,511,501)	–	(5,511,501)	3,750,204	–	(1,761,297)
Contracts for Difference (on Bonds)	(2,293,345)	–	(2,293,345)	2,293,345	–	–
Options	(5,500)	–	(5,500)	–	–	(5,500)
Futures contracts	(7,875)	–	(7,875)	7,875	–	–
Forward foreign currency contracts	(352,997)	–	(352,997)	14,689	–	(338,308)
Swaps	(87,360)	–	(87,360)	–	–	(87,360)
<b>Total</b>	<b>(8,258,578)</b>	<b>–</b>	<b>(8,258,578)</b>	<b>6,066,113</b>	<b>–</b>	<b>(2,192,465)</b>

	Gross amounts of recognised assets 2023 US\$	Gross amounts offset in the statement of financial position 2023 US\$	Net amount presented on the statement of financial position 2023 US\$	Related amounts not set off in the Statement of Financial Position		Net amounts 2023 US\$
				Financial instruments 2023 US\$	Cash collateral pledged/ received 2023 US\$	
<b>Global Convertible Fund</b>						
<b>Assets</b>						
Contracts for Difference (on Equities)	668,570	–	668,570	–	–	668,570
Contracts for Difference (on Bonds)	7,952,989	–	7,952,989	–	–	7,952,989
Futures contracts	382,241	–	382,241	(212,175)	–	170,066
Forward foreign currency contracts	1,733,669	–	1,733,669	(508,062)	–	1,225,607
<b>Total</b>	<b>10,737,469</b>	<b>–</b>	<b>10,737,469</b>	<b>(720,237)</b>	<b>–</b>	<b>10,017,232</b>
<b>Liabilities</b>						
Futures contracts	(212,175)	–	(212,175)	212,175	–	–
Forward foreign currency contracts	(508,062)	–	(508,062)	508,062	–	–
<b>Total</b>	<b>(720,237)</b>	<b>–</b>	<b>(720,237)</b>	<b>720,237</b>	<b>–</b>	<b>–</b>



	Gross amounts of recognised assets 2022 US\$	Gross amounts offset in the statement of financial position 2022 US\$	Net amount presented on the statement of financial position 2022 US\$	Related amounts not set off in the Statement of Financial Position		Net amounts 2022 US\$
				Financial instruments 2022 US\$	Cash collateral pledged/ received 2022 US\$	
<b>Global Convertible Fund</b>						
<b>Assets</b>						
Contracts for Difference (on Equities)	377,160	–	377,160	(377,160)	–	–
Contracts for Difference (on Bonds)	10,435,355	–	10,435,355	(5,128,030)	–	5,307,325
Futures contracts	2,530,425	–	2,530,425	–	–	2,530,425
Forward foreign currency contracts	1,147,542	–	1,147,542	(1,147,542)	–	–
<b>Total</b>	<b>14,490,482</b>	<b>–</b>	<b>14,490,482</b>	<b>(6,652,732)</b>	<b>–</b>	<b>7,837,750</b>
<b>Liabilities</b>						
Contracts for difference (on Equities)	(7,669,900)	–	(7,669,900)	377,160	–	(7,292,740)
Contracts for Difference (on Bonds)	(5,128,030)	–	(5,128,030)	5,128,030	–	–
Forward foreign currency contracts	(3,783,186)	–	(3,783,186)	1,147,542	–	(2,635,644)
Swaps	(407,680)	–	(407,680)	–	–	(407,680)
<b>Total</b>	<b>(16,988,796)</b>	<b>–</b>	<b>(16,988,796)</b>	<b>6,652,732</b>	<b>–</b>	<b>(10,336,064)</b>

The Global Convertible Fund is party to an ISDA Master Agreement with UBS AG, which was signed on 30 August 2013. The existing Agreement was amended by adding Global Absolute Return Fund on 31 December 2018.

### Fair value hierarchy

Financial assets and financial liabilities at fair value through profit and loss are valued at fair value at the Statement of Financial Position date. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Net gain/loss on financial assets and financial liabilities at fair value through profit or loss' in the period in which they arise. Fair value is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

In determining fair value, securities which are quoted, listed or traded on a recognised exchange will be valued at the last traded price (or, if no last traded price is available, at the mid-market price).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

Valuation models are used primarily to value unlisted equities, for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 10. Financial Risk Management continued

#### Fair value hierarchy continued

The table below sets out fair value measurements using the fair value hierarchy:

#### Financial assets and liabilities at fair value through profit or loss as at 31 December 2023

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Artificial Intelligence Fund</b>				
<b>Assets</b>				
Investment funds	5,096,000	–	5,096,000	–
Equity investments	436,482,129	436,482,129	–	–
Forward foreign currency contracts	404	–	404	–
<b>Total</b>	<b>441,578,533</b>	<b>436,482,129</b>	<b>5,096,404</b>	<b>–</b>
<b>Asian Stars Fund</b>				
<b>Assets</b>				
Investment funds	747,000	–	747,000	–
Equity investments	246,404,863	246,404,863	–	–
Forward foreign currency contracts	464	–	464	–
<b>Total</b>	<b>247,152,327</b>	<b>246,404,863</b>	<b>747,464</b>	<b>–</b>
<b>Biotechnology Fund</b>				
<b>Assets</b>				
Investment funds	32,362,000	–	32,362,000	–
Equity investments	1,596,597,349	1,596,597,349	–	–
Forward foreign currency contracts	392,502	–	392,502	–
<b>Total</b>	<b>1,629,351,851</b>	<b>1,596,597,349</b>	<b>32,754,502</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(854)	–	(854)	–
<b>Total</b>	<b>(854)</b>	<b>–</b>	<b>(854)</b>	<b>–</b>
<b>China Stars Fund</b>				
<b>Assets</b>				
Equity investments	11,085,033	11,085,033	–	–
<b>Total</b>	<b>11,085,033</b>	<b>11,085,033</b>	<b>–</b>	<b>–</b>
<b>Emerging Market ex-China Stars Fund</b>				
<b>Assets</b>				
Equity investments	1,048,955	1,048,955	–	–
<b>Total</b>	<b>1,048,955</b>	<b>1,048,955</b>	<b>–</b>	<b>–</b>



	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Emerging Market Stars Fund</b>				
<b>Assets</b>				
Investment funds	30,056,000	–	30,056,000	–
Equity investments	1,464,857,653	1,464,857,653	–	–
Forward foreign currency contracts	1,517	–	1,517	–
<b>Total</b>	<b>1,494,915,170</b>	<b>1,464,857,653</b>	<b>30,057,517</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(1,433)	–	(1,433)	–
<b>Total</b>	<b>(1,433)</b>	<b>–</b>	<b>(1,433)</b>	<b>–</b>
<b>European ex UK Income Fund</b>				
	EUR	EUR	EUR	EUR
<b>Assets</b>				
Equity investments	287,425,703	287,425,703	–	–
Forward foreign currency contracts	545	–	545	–
<b>Total</b>	<b>287,426,248</b>	<b>287,425,703</b>	<b>545</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(17)	–	(17)	–
<b>Total</b>	<b>(17)</b>	<b>–</b>	<b>(17)</b>	<b>–</b>
<b>Financial Credit Fund</b>				
	GBP	GBP	GBP	GBP
<b>Assets</b>				
Corporate bonds	20,373,476	–	20,373,476	–
Equity investments	1,957,299	1,957,299	–	–
Forward foreign currency contracts	22,858	–	22,858	–
Government Bonds	1,459,746	–	1,459,746	–
<b>Total</b>	<b>23,813,379</b>	<b>1,957,299</b>	<b>21,856,080</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(42,334)	–	(42,334)	–
<b>Total</b>	<b>(42,334)</b>	<b>–</b>	<b>(42,334)</b>	<b>–</b>
<b>Financial Opportunities Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	13,411,570	13,411,570	–	–
Forward foreign currency contracts	260	–	260	–
<b>Total</b>	<b>13,411,830</b>	<b>13,411,570</b>	<b>260</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2023 continued

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Global Absolute Return Fund</b>				
<b>Assets</b>				
Corporate bonds	83,525,681	–	83,525,681	–
Forward foreign currency contracts	480,975	–	480,975	–
Futures contracts	6,200	6,200	–	–
Contracts for difference – equities	472,187	–	472,187	–
Contracts for difference – bonds	1,513,303	–	1,513,303	–
<b>Total</b>	<b>85,998,346</b>	<b>6,200</b>	<b>85,992,146</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(2,750)	–	(2,750)	–
Futures contracts	(34,338)	(34,338)	–	–
Contracts for difference – equities	(4,724,640)	–	(4,724,640)	–
Contracts for difference – bonds	(395,223)	–	(395,223)	–
<b>Total</b>	<b>(5,156,951)</b>	<b>(34,338)</b>	<b>(5,122,613)</b>	<b>–</b>
<b>Global Convertible Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Corporate bonds	487,390,455	–	487,390,455	–
Forward foreign currency contracts	1,733,669	–	1,733,669	–
Futures contracts	382,241	382,241	–	–
Contracts for difference – equities	668,570	–	668,570	–
Contracts for difference – bonds	7,952,989	–	7,952,989	–
<b>Total</b>	<b>498,127,924</b>	<b>382,241</b>	<b>497,745,683</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(508,062)	–	(508,062)	–
Futures contracts	(212,175)	(212,175)	–	–
<b>Total</b>	<b>(720,237)</b>	<b>(212,175)</b>	<b>(508,062)</b>	<b>–</b>
<b>Global Insurance Fund</b>				
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>Assets</b>				
Investment funds	9,769,438	–	9,769,438	–
Equity investments	1,982,952,074	1,982,952,074	–	–
Forward foreign currency contracts	690,920	–	690,920	–
<b>Total</b>	<b>1,993,412,432</b>	<b>1,982,952,074</b>	<b>10,460,358</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(66,079)	–	(66,079)	–
<b>Total</b>	<b>(66,079)</b>	<b>–</b>	<b>(66,079)</b>	<b>–</b>



	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Global Technology Fund</b>				
<b>Assets</b>				
Investment funds	219,798,000	–	219,798,000	–
Equity investments	5,311,980,374	5,311,980,374	–	–
Options	16,780,475	16,780,475	–	–
Forward foreign currency contracts	4,822,273	–	4,822,273	–
<b>Total</b>	<b>5,553,381,122</b>	<b>5,328,760,849</b>	<b>224,620,273</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(23,808)	–	(23,808)	–
<b>Total</b>	<b>(23,808)</b>	<b>–</b>	<b>(23,808)</b>	<b>–</b>
<b>Healthcare Blue Chip Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Investment funds	4,497,000	–	4,497,000	–
Equity investments	250,344,911	250,344,911	–	–
Forward foreign currency contracts	22,368	–	22,368	–
<b>Total</b>	<b>254,864,279</b>	<b>250,344,911</b>	<b>4,519,368</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(352)	–	(352)	–
<b>Total</b>	<b>(352)</b>	<b>–</b>	<b>(352)</b>	<b>–</b>
<b>Healthcare Discovery Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	8,473,231	8,473,231	–	–
<b>Total</b>	<b>8,473,231</b>	<b>8,473,231</b>	<b>–</b>	<b>–</b>
<b>Healthcare Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Investment funds	53,898,000	–	53,898,000	–
Equity investments	1,631,505,554	1,631,505,554	–	–
Forward foreign currency contracts	39,537	–	39,537	–
<b>Total</b>	<b>1,685,443,091</b>	<b>1,631,505,554</b>	<b>53,937,537</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(145)	–	(145)	–
<b>Total</b>	<b>(145)</b>	<b>–</b>	<b>(145)</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2023 continued

	Total	Level 1	Level 2	Level 3
<b>Japan Value Fund</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
<b>Assets</b>				
Equity investments	35,642,482,100	35,642,482,100	–	–
Forward foreign currency contracts	6,254,789	–	6,254,789	–
<b>Total</b>	<b>35,648,736,889</b>	<b>35,642,482,100</b>	<b>6,254,789</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(107,182,089)	–	(107,182,089)	–
<b>Total</b>	<b>(107,182,089)</b>	<b>–</b>	<b>(107,182,089)</b>	<b>–</b>
<b>North American Fund</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Investment funds	4,359,000	–	4,359,000	–
Equity investments	770,467,172	770,467,172	–	–
Forward foreign currency contracts	561,209	–	561,209	–
<b>Total</b>	<b>775,387,381</b>	<b>770,467,172</b>	<b>4,920,209</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(211)	–	(211)	–
<b>Total</b>	<b>(211)</b>	<b>–</b>	<b>(211)</b>	<b>–</b>
<b>Smart Energy Fund</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	293,803,401	293,803,401	–	–
Forward foreign currency contracts	350	–	350	–
<b>Total</b>	<b>293,803,751</b>	<b>293,803,401</b>	<b>350</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(165)	–	(165)	–
<b>Total</b>	<b>(165)</b>	<b>–</b>	<b>(165)</b>	<b>–</b>
<b>Smart Mobility Fund</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	9,984,455	9,984,455	–	–
<b>Total</b>	<b>9,984,455</b>	<b>9,984,455</b>	<b>–</b>	<b>–</b>
<b>UK Value Opportunities Fund</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>Assets</b>				
Equity investments	759,013,482	759,013,482	–	–
<b>Total</b>	<b>759,013,482</b>	<b>759,013,482</b>	<b>–</b>	<b>–</b>



## Financial assets and liabilities at fair value through profit or loss as at 31 December 2023 continued

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Artificial Intelligence Fund</b>				
<b>Assets</b>				
Equity investments	360,442,404	360,442,404	–	–
<b>Total</b>	<b>360,442,404</b>	<b>360,442,404</b>	<b>–</b>	<b>–</b>
<b>Asian Stars Fund</b>				
<b>Assets</b>				
Equity investments	132,258,322	132,258,322	–	–
<b>Total</b>	<b>132,258,322</b>	<b>132,258,322</b>	<b>–</b>	<b>–</b>
<b>Biotechnology Fund</b>				
<b>Assets</b>				
Equity investments	1,545,857,592	1,545,857,592	–	–
Forward foreign currency contracts	1,209	–	1,209	–
<b>Total</b>	<b>1,545,858,801</b>	<b>1,545,857,592</b>	<b>1,209</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(487,769)	–	(487,769)	–
<b>Total</b>	<b>(487,769)</b>	<b>–</b>	<b>(487,769)</b>	<b>–</b>
<b>China Stars Fund</b>				
<b>Assets</b>				
Equity investments	17,999,482	17,999,482	–	–
<b>Total</b>	<b>17,999,482</b>	<b>17,999,482</b>	<b>–</b>	<b>–</b>
<b>Emerging Market Stars Fund</b>				
<b>Assets</b>				
Equity investments	1,044,801,205	1,044,801,205	–	–
<b>Total</b>	<b>1,044,801,205</b>	<b>1,044,801,205</b>	<b>–</b>	<b>–</b>
<b>European ex UK Income Fund</b>				
<b>Assets</b>				
Equity investments	119,499,194	119,499,194	–	–
Forward foreign currency contracts	20	–	20	–
<b>Total</b>	<b>119,499,214</b>	<b>119,499,194</b>	<b>20</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(19,667)	–	(19,667)	–
<b>Total</b>	<b>(19,667)</b>	<b>–</b>	<b>(19,667)</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2023 continued

Financial Credit Fund	Total GBP	Level 1 GBP	Level 2 GBP	Level 3 GBP
<b>Assets</b>				
Corporate bonds	18,934,492	–	18,934,492	–
Equity investments	26,350,257	26,350,257	–	–
Forward foreign currency contracts	90,799	–	90,799	–
Futures contracts	103,998	103,998	–	–
Government Bonds	1,420,746	–	1,420,746	–
<b>Total</b>	<b>46,900,292</b>	<b>26,454,255</b>	<b>20,446,037</b>	<b>–</b>
<b>Liabilities</b>				
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Financial Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	18,000,200	18,000,200	–	–
<b>Total</b>	<b>18,000,200</b>	<b>18,000,200</b>	<b>–</b>	<b>–</b>
<b>Global Absolute Return Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Corporate bonds	107,123,965	–	107,123,965	–
Equity investments	3,798,000	3,798,000	–	–
Contracts for difference – bonds	4,050,896	–	4,050,896	–
Contracts for difference – equities	3,750,204	–	3,750,204	–
Forward foreign currency contracts	14,689	–	14,689	–
Futures contracts	57,523	57,523	–	–
<b>Total</b>	<b>118,795,277</b>	<b>3,855,523</b>	<b>114,939,754</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference – bonds	(2,293,345)	–	(2,293,345)	–
Contracts for difference – equities	(5,511,501)	–	(5,511,501)	–
Options	(5,500)	(5,500)	–	–
Forward foreign currency contracts	(352,997)	–	(352,997)	–
Futures contracts	(7,875)	(7,875)	–	–
Swaps	(87,360)	–	(87,360)	–
<b>Total</b>	<b>(8,258,578)</b>	<b>(13,375)</b>	<b>(8,245,203)</b>	<b>–</b>



<b>Global Convertible Fund</b>	<b>Total US\$</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Assets</b>				
Corporate bonds	745,002,996	–	745,002,996	–
Contracts for difference – bonds	10,435,355	–	10,435,355	–
Contracts for difference – equities	377,160	–	377,160	–
Forward foreign currency contracts	1,147,542	–	1,147,542	–
Futures contracts	2,530,425	2,530,425	–	–
<b>Total</b>	<b>759,493,478</b>	<b>2,530,425</b>	<b>756,963,053</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference – bonds	(5,128,030)	–	(5,128,030)	–
Contracts for difference – equities	(7,669,900)	–	(7,669,900)	–
Forward foreign currency contracts	(3,783,187)	–	(3,783,186)	–
Swaps	(407,680)	–	(407,680)	–
<b>Total</b>	<b>(16,988,797)</b>	<b>–</b>	<b>(16,988,796)</b>	<b>–</b>
<b>Global Insurance Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Investment funds	14,920,273	–	14,920,273	–
Equity investments	2,469,755,942	2,469,755,942	–	–
Forward foreign currency contracts	349,696	–	349,696	–
<b>Total</b>	<b>2,485,025,911</b>	<b>2,469,755,942</b>	<b>15,269,969</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(30,987)	–	(30,987)	–
<b>Total</b>	<b>(30,987)</b>	<b>–</b>	<b>(30,987)</b>	<b>–</b>
<b>Global Technology Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	3,916,911,831	3,916,911,831	–	–
Options	429,750	429,750	–	–
Forward foreign currency contracts	424,368	–	424,368	–
<b>Total</b>	<b>3,917,765,949</b>	<b>3,917,341,581</b>	<b>424,368</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(1,369,124)	–	(1,369,124)	–
<b>Total</b>	<b>(1,369,124)</b>	<b>–</b>	<b>(1,369,124)</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 10. Financial Risk Management continued

## Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2023 continued

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Healthcare Blue Chip Fund</b>				
<b>Assets</b>				
Equity investments	200,547,767	200,547,767	–	–
Forward foreign currency contracts	2	–	2	–
<b>Total</b>	<b>200,547,769</b>	<b>200,547,767</b>	<b>2</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(20,801)	–	(20,801)	–
<b>Total</b>	<b>(20,801)</b>	<b>–</b>	<b>(20,801)</b>	<b>–</b>
<b>Healthcare Discovery Fund</b>				
<b>Assets</b>				
Equity investments	38,741,602	38,741,602	–	–
<b>Total</b>	<b>38,741,602</b>	<b>38,741,602</b>	<b>–</b>	<b>–</b>
<b>Liabilities</b>				
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Healthcare Opportunities Fund</b>				
<b>Assets</b>				
Equity investments	1,694,676,680	1,694,676,680	–	–
Forward foreign currency contracts	14,811	–	14,811	–
<b>Total</b>	<b>1,694,691,491</b>	<b>1,694,676,680</b>	<b>14,811</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(28)	–	(28)	–
<b>Total</b>	<b>(28)</b>	<b>–</b>	<b>(28)</b>	<b>–</b>
<b>Japan Value Fund</b>				
<b>Assets</b>				
Equity investments	24,639,895,200	24,639,895,200	–	–
Forward foreign currency contracts	496,316	–	496,316	–
<b>Total</b>	<b>24,640,391,516</b>	<b>24,639,895,200</b>	<b>496,316</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(54,460,906)	–	(54,460,906)	–
<b>Total</b>	<b>(54,460,906)</b>	<b>–</b>	<b>(54,460,906)</b>	<b>–</b>



	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>North American Fund</b>				
<b>Assets</b>				
Investment funds	31,333,564	–	31,333,564	–
Equity investments	771,667,979	771,667,979	–	–
Forward foreign currency contracts	109,269	–	109,269	–
<b>Total</b>	<b>803,110,812</b>	<b>771,667,979</b>	<b>31,442,833</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(540,203)	–	(540,203)	–
<b>Total</b>	<b>(540,203)</b>	<b>–</b>	<b>(540,203)</b>	<b>–</b>
<b>Smart Energy Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	127,899,403	127,899,403	–	–
<b>Total</b>	<b>127,899,403</b>	<b>127,899,403</b>	<b>–</b>	<b>–</b>
<b>Smart Mobility Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	10,354,553	10,354,553	–	–
<b>Total</b>	<b>10,354,553</b>	<b>10,354,553</b>	<b>–</b>	<b>–</b>
<b>UK Value Opportunities Fund</b>				
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>Assets</b>				
Equity investments	956,710,281	956,710,281	–	–
<b>Total</b>	<b>956,710,281</b>	<b>956,710,281</b>	<b>–</b>	<b>–</b>

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There are no assets held in level 3 at 31 December 2023 (31 December 2022: Nil). In addition, there were no transfers between level 1 and level 2 of the fair value hierarchy during the financial year from 1 January 2023 to 31 December 2023 and 1 January 2022 to 31 December 2022.

The valuation techniques used by the Company are explained in the accounting policies described in note 2.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 11. Cross/Segregated Liability

The Company is an umbrella fund investment company with segregated liability between the Funds of the Company. Under Irish law, being the law applicable to the Company, this should result in any liabilities attributable to any Fund being borne solely by that Fund in the event of any insolvency.

## 12. Comparative Figures

<b>Artificial Intelligence Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€42,725,578	€19,716,096	€26,592,589
Class I Sterling Accumulation	£104,878,938	£74,698,618	£108,980,129
Class I US Dollar Accumulation	\$58,636,237	\$42,322,352	\$61,545,774
Class R Euro Accumulation	€25,494,552	€14,515,670	€26,152,140
Class R US Dollar Accumulation	\$29,523,344	\$21,072,116	\$35,429,763
Class S Euro Accumulation	€620,265	€760,633	€1,497,656
Class S Sterling Accumulation	£108,896,962	£107,194,067	£183,036,287
Class S US Dollar Accumulation	\$11,259,360	\$7,495,378	\$17,569,687
Class Z Sterling Accumulation	£2,977	£33,787,760	£145,529,203
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€17.26	€12.97	€18.29
Class I Sterling Accumulation	£14.96	£11.51	£15.35
Class I US Dollar Accumulation	\$19.07	\$13.84	\$20.80
Class R Euro Accumulation	€16.78	€12.67	€17.95
Class R US Dollar Accumulation	\$18.53	\$13.52	\$20.41
Class S Euro Accumulation	€17.52	€13.12	€18.45
Class S Sterling Accumulation	£15.18	£11.64	£15.49
Class S US Dollar Accumulation	\$19.36	\$14.00	\$20.98
Class Z Sterling Accumulation	£19.79	£15.10	£19.99

<b>Asian Stars Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€737,462	€651,551	€832,454
Class I Sterling Accumulation	£2,323,062	£2,323,448	£1,584,551
Class I US Dollar Accumulation	\$3,787,760	\$3,333,140	\$3,262,841
Class R Euro Accumulation	€74,416	€53,074	€49,256
Class R Sterling Accumulation	£1,460	£1,434	£1,744
Class R US Dollar Accumulation	\$52,681	\$20,699	\$20,078
Class S Euro Accumulation	€118,885,628	€58,850,369	€88,015,725
Class S Sterling Accumulation	£34,481,084	£18,067,959	£17,870,138
Class S US Dollar Accumulation	\$62,284,377	\$45,656,829	\$39,222,288
Class S US Dollar Distribution	\$459,769	\$213,108	\$960



<b>Asian Stars Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class I Euro Accumulation	€13.53	€12.93	€16.52
Class I Sterling Accumulation	£11.73	£11.47	£13.87
Class I US Dollar Accumulation	\$14.95	\$13.80	\$18.79
Class R Euro Accumulation	€13.22	€12.70	€16.30
Class R Sterling Accumulation	£11.46	£11.26	£13.69
Class R US Dollar Accumulation	\$14.60	\$13.55	\$18.54
Class S Euro Accumulation	€13.78	€13.12	€16.70
Class S Sterling Accumulation	£11.94	£11.64	£14.02
Class S US Dollar Accumulation	\$15.22	\$14.00	\$18.99
Class S US Dollar Distribution	\$7.65	\$7.08	–

<b>Biotechnology Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Distribution	€167,680,574	€166,551,740	€161,825,336
Class I Sterling Distribution	£210,811,899	£196,544,392	£174,232,241
Class I Sterling Hedged Distribution	£51,716,668	£41,224,189	£115,513,788
Class I US Dollar Distribution	\$503,608,078	\$585,302,309	\$486,709,900
Class R Euro Distribution	€162,168,159	€159,029,002	€178,407,960
Class R Sterling Distribution	£8,171,323	£7,379,706	£7,984,001
Class R US Dollar Distribution	\$377,160,513	\$351,460,100	\$427,132,963
Class S Euro Distribution	€1,599,912	€525,004	€621,605
Class S Sterling Distribution	£2,873,084	£2,489,750	£1,535,778
Class S US Dollar Distribution	\$9,952,954	\$6,761,951	\$7,261,299

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Distribution	€40.04	€35.76	€36.15
Class I Sterling Distribution	£34.69	£31.73	£30.35
Class I Sterling Hedged Distribution	£17.67	£15.33	£16.79
Class I US Dollar Distribution	\$44.23	\$38.17	\$41.11
Class R Euro Distribution	€38.32	€34.30	€34.80
Class R Sterling Distribution	£33.20	£30.43	£29.22
Class R US Dollar Distribution	\$42.33	\$36.61	\$39.58
Class S Euro Distribution	€41.16	€36.55	€36.82
Class S Sterling Distribution	£35.67	£32.43	£30.91
Class S US Dollar Distribution	\$45.47	\$39.01	\$41.87





<b>Emerging Market (ex China) Stars Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class I Euro Accumulation	€9.65	–	–
Class I Sterling Accumulation	£8.36	–	–
Class I US Dollar Accumulation	\$10.66	–	–
Class S Euro Accumulation	€9.66	–	–
Class S Sterling Accumulation	£8.37	–	–
Class S US Dollar Accumulation	\$10.67	–	–
Class X Euro Accumulation	€9.61	–	–
Class X Swedish Krona Accumulation	SEK 106.97	–	–
Class X US Dollar Accumulation	\$10.61	–	–

<b>Emerging Market Stars Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€132,686,563	€88,433,451	€42,371,286
Class I Sterling Accumulation	£21,537,846	£13,797,902	£12,697,758
Class I US Dollar Accumulation	\$26,070,565	\$13,973,092	\$33,767,572
Class R Euro Accumulation	€1,332,552	€1,325,119	€1,578,632
Class R Sterling Accumulation	£65,104	£125,434	£170,014
Class R US Dollar Accumulation	\$4,655,503	\$4,956,376	\$7,576,233
Class R US Dollar Distribution	\$799	\$715	\$1,000
Class S Euro Accumulation	€34,717,098	€33,586,460	€57,513,195
Class S Euro Distribution	€130,023	€118,414	£153,939
Class S Sterling Accumulation	£102,779,036	£79,980,406	£78,556,222
Class S US Dollar Accumulation	\$118,044,142	\$95,603,717	\$169,296,625
Class S US Dollar Distribution	\$40,243,477	\$30,599,971	\$40,511,744
Class SX Euro Accumulation	€1,411	€1,296	€1,691
Class SX Sterling Accumulation	£70,420,184	£21,882,504	£19,644,873
Class SX Sterling Distribution	£141,010,762	£118,563,715	£115,893,782
Class SX US Dollar Accumulation	\$211,208,649	\$215,743,258	\$226,404,250
Class SX US Dollar Distribution	\$69,270,554	\$68,118,608	\$83,315,890
Class X Euro Accumulation	€11,194,900	€2,435,986	€24,336,722
Class X Swedish Krona Accumulation	SEK 3,115,194,015	SEK 1,692,469,037	SEK. 1,931,763,256
Class X US Dollar Accumulation	\$75,931,430	\$55,080,347	\$64,602,145



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 12. Comparative Figures continued

<b>Emerging Market Stars Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class I Euro Accumulation	€11.01	€10.13	€13.23
Class I Sterling Accumulation	£9.54	£8.99	£11.11
Class I US Dollar Accumulation	\$12.16	\$10.82	\$15.05
Class R Euro Accumulation	€10.74	€9.94	€13.04
Class R Sterling Accumulation	£9.30	£8.82	£10.95
Class R US Dollar Accumulation	\$11.86	\$10.60	\$14.83
Class R US Dollar Distribution	\$7.99	\$7.72	\$10.00
Class S Euro Accumulation	€11.23	€10.31	€13.41
Class S Euro Distribution	€8.35	€7.70	£9.53
Class S Sterling Accumulation	£9.74	£9.14	£11.26
Class S US Dollar Accumulation	\$12.41	\$11.00	\$15.25
Class S US Dollar Distribution	\$12.53	\$11.16	\$15.47
Class SX Euro Accumulation	€14.11	€12.96	€16.91
Class SX Sterling Accumulation	£11.87	£11.18	£13.79
Class SX Sterling Distribution	£8.18	£7.15	£9.53
Class SX US Dollar Accumulation	\$14.21	\$12.62	\$17.54
Class SX US Dollar Distribution	\$7.56	\$6.74	\$9.36
Class X Euro Accumulation	€11.63	€10.79	€14.20
Class X Swedish Krona Accumulation	SEK 129.48	SEK 120.01	SEK. 146.16
Class X US Dollar Accumulation	\$12.85	\$11.52	\$16.14

<b>European ex UK Income Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€5,640,907	€1,175,364	€1,031,557
Class I Sterling Accumulation	£24,752,510	£7,968,150	£7,489,383
Class I Sterling Distribution	£16,554,446	£3,100,975	£3,113,304
Class I Sterling Hedged Accumulation	£2,112,843	£382,251	£90,585
Class I Sterling Hedged Distribution	£2,140,051	£628,870	£203,650
Class S Sterling Accumulation	£4,549,551	£10,623,288	£10,977,463
Class S Sterling Distribution	£28,445,169	£37,420,826	£28,062,043
Class S Sterling Hedged Accumulation	£441,413	£1,459	£1,414
Class S Sterling Hedged Distribution	£466,645	£530,032	£705,561
Class X Sterling Accumulation	£68,125	£30,926	£1,101
Class X Sterling Distribution	£31,179,534	£44,583,184	£48,539,423
Class Z Sterling Accumulation	£133,663,381	£0.00	–
Class Z Sterling Distribution	£4,526,250	£0.00	–



<b>European ex UK Income Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class I Euro Accumulation	€15.69	€13.87	€13.66
Class I Sterling Accumulation	£13.50	£12.22	£11.39
Class I Sterling Distribution	£9.79	£9.22	£8.94
Class I Sterling Hedged Accumulation	£16.63	£14.49	£14.08
Class I Sterling Hedged Distribution	£11.95	£10.84	£10.95
Class S Sterling Accumulation	£13.64	£12.34	£11.50
Class S Sterling Distribution	£9.88	£9.30	£9.01
Class S Sterling Hedged Accumulation	£16.76	£14.59	£14.14
Class S Sterling Hedged Distribution	£11.98	£10.86	£10.99
Class X Sterling Accumulation	£12.84	£11.72	£11.01
Class X Sterling Distribution	£10.76	£10.22	£10.00
Class Z Sterling Accumulation	£10.35	£0.00	–
Class Z Sterling Distribution	£10.35	£0.00	–

<b>Financial Credit Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€190,186	€100,390	€101,415
Class I Euro Distribution	€63,822	€1,381	€1,396
Class I Euro Hedged Accumulation	€111,389	€141,847	€280,270
Class I Euro Hedged Distribution	€1,738	€11,538	€11,690
Class I Sterling Accumulation	£6,239,385	£23,699,750	£7,602,273
Class I Sterling Distribution	£6,633,714	£7,750,246	£21,446,170
Class I US Dollar Accumulation	\$1,504	\$1,331	\$1,433
Class I US Dollar Distribution	\$470,130	\$474,154	\$659,179
Class R Euro Accumulation	€11,058	€184,540	€304,243
Class R Euro Distribution	€117,982	€114,592	€109,582
Class R Euro Hedged Accumulation	€221,834	€1,229,565	€1,287,621
Class R Euro Hedged Distribution	€1,126,096	€1,142,589	€1,170,434
Class R Sterling Accumulation	£1,782,338	£2,520,437	£2,477,171
Class R Sterling Distribution	£3,168,542	£4,621,990	£5,227,662
Class R US Dollar Accumulation	\$54,546	\$48,534	\$411,451
Class R US Dollar Distribution	\$1,427,501	\$1,242,543	\$1,513,704
Class R US Dollar Hedged Accumulation	\$3,763,309	\$5,255,947	\$16,898,400
Class R US Dollar Hedged Distribution	\$1,929,970	\$3,415,260	\$5,756,839
Class S Euro Accumulation	£1,002	€0	–
Class S Euro Distribution	£1,002	€0	–
Class S Sterling Accumulation	£998	£0	–
Class S Sterling Distribution	£998	£0	–
Class S US Dollar Accumulation	€989	\$0	–
Class S US Dollar Distribution	€989	\$0	–



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 12. Comparative Figures continued

Financial Credit Fund continued	NAV per share 31 December 2023	NAV per share 31 December 2022	NAV per share 31 December 2021
Class I Euro Accumulation	€3.66	€3.36	€3.39
Class I Euro Distribution	€1.83	€1.77	€1.87
Class I Euro Hedged Accumulation	€17.59	€16.77	€16.29
Class I Euro Hedged Distribution	€12.27	€12.35	€12.59
Class I Sterling Accumulation	£3.18	£2.98	£2.85
Class I Sterling Distribution	£1.59	£1.57	£1.57
Class I US Dollar Accumulation	\$4.05	\$3.58	\$3.86
Class I US Dollar Distribution	\$2.02	\$1.89	\$2.13
Class R Euro Accumulation	€3.46	€3.18	€3.23
Class R Euro Distribution	€1.71	€1.66	€1.76
Class R Euro Hedged Accumulation	€16.93	€16.22	€15.87
Class R Euro Hedged Distribution	€11.81	€11.99	€12.28
Class R Sterling Accumulation	£3.00	£2.83	£2.71
Class R Sterling Distribution	£1.48	£1.47	£1.48
Class R US Dollar Accumulation	\$3.82	\$3.40	\$3.67
Class R US Dollar Distribution	\$1.89	\$1.77	\$2.00
Class R US Dollar Hedged Accumulation	\$15.50	\$14.56	\$13.89
Class R US Dollar Hedged Distribution	\$11.42	\$11.35	\$11.33
Class S Euro Accumulation	€11.56	€0.00	–
Class S Euro Distribution	€11.56	€0.00	–
Class S Sterling Accumulation	£9.98	£0.00	–
Class S Sterling Distribution	£9.98	£0.00	–
Class S US Dollar Accumulation	\$12.60	\$0.00	–
Class S US Dollar Distribution	\$12.60	\$0.00	–



<b>Financial Opportunities Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€37,245	€37,346	€40,263
Class I Euro Distribution	€1,835,839	€1,719,127	€1,689,066
Class I Sterling Accumulation	£2,623,545	£4,560,195	£4,552,091
Class I Sterling Distribution	£2,758,111	£3,622,452	£3,685,381
Class I US Dollar Accumulation	\$843,523	\$735,400	\$525,278
Class I US Dollar Distribution	\$10,505	\$8,255	\$8,546
Class R Euro Accumulation	€103,258	€194,469	€71,185
Class R Euro Distribution	€213,748	€204,963	€15,825
Class R Sterling Accumulation	£117,635	£207,930	£152,697
Class R Sterling Distribution	£70,771	£68,812	£74,865
Class R US Dollar Accumulation	\$225,389	\$204,556	\$236,155
Class R US Dollar Distribution	\$130	\$118	\$136
Class S Sterling Distribution	£1,124,754	£2,194,642	£745,864
Class S US Dollar Distribution	\$1,753,023	\$2,918,095	\$8,184,614
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€15.34	€14.34	€15.46
Class I Euro Distribution	€13.52	€12.92	€14.29
Class I Sterling Accumulation	£13.30	£12.72	£12.98
Class I Sterling Distribution	£11.71	£11.47	£12.00
Class I US Dollar Accumulation	\$16.95	\$15.30	\$17.59
Class I US Dollar Distribution	\$14.93	\$13.79	\$16.25
Class R Euro Accumulation	€14.59	€13.70	€14.85
Class R Euro Distribution	€12.75	€12.25	€13.61
Class R Sterling Accumulation	£12.65	£12.16	£12.47
Class R Sterling Distribution	£11.04	£10.86	£11.43
Class R US Dollar Accumulation	\$16.12	\$14.63	\$16.89
Class R US Dollar Distribution	\$14.08	\$13.07	\$15.48
Class S Sterling Distribution	£10.77	£10.51	£10.96
Class S US Dollar Distribution	\$13.73	\$12.64	\$14.85



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 12. Comparative Figures continued

Global Absolute Return Fund	Net Asset Value Unaudited 31 December 2023	Net Asset Value Unaudited 31 December 2022	Net Asset Value Unaudited 31 December 2021
Class I Euro Hedged Accumulation	€581,517	€318,924	€216,536
Class I JPY Hedged Accumulation	¥151,854	¥153,278	–
Class I JPY Hedged Distribution	¥152,310	¥153,277	–
Class I Sterling Hedged Accumulation	£4,105,322	£4,043,907	£4,270,898
Class I Sterling Hedged Distribution	£2,054,787	£1,381,906	–
Class I US Dollar Accumulation	\$2,370,836	\$3,096,729	\$1,686,465
Class I US Dollar Distribution	\$1,084	\$1,039	–
Class S Euro Hedged Accumulation	€1,678,446	€6,677,825	€2,045,937
Class S JPY Hedged Accumulation	¥152,682	¥153,398	–
Class S JPY Hedged Distribution	¥152,927	¥153,398	–
Class S Sterling Hedged Accumulation	£54,733,452	£25,958,247	£24,776,372
Class S Sterling Hedged Distribution	£626,712	£31,017	–
Class S US Dollar Accumulation	\$18,057,164	\$60,664,597	\$26,721,279
	NAV per share	NAV per share	NAV per share
Class I Euro Hedged Accumulation	€125.02	€121.55	€123.92
Class I JPY Hedged Accumulation	¥979.97	¥989.93	–
Class I JPY Hedged Distribution	¥931.28	¥989.93	–
Class I Sterling Hedged Accumulation	£131.31	£126.57	£126.84
Class I Sterling Hedged Distribution	£99.13	£100.66	–
Class I US Dollar Accumulation	\$136.59	\$131.06	\$130.79
Class I US Dollar Distribution	\$102.77	\$103.94	–
Class S Euro Hedged Accumulation	€126.37	€122.88	€125.04
Class S JPY Hedged Accumulation	¥985.31	¥989.15	–
Class S JPY Hedged Distribution	¥935.06	¥989.15	–
Class S Sterling Hedged Accumulation	£133.05	£127.90	£127.76
Class S Sterling Hedged Distribution	£99.42	£100.62	–
Class S US Dollar Accumulation	\$138.07	\$132.31	\$131.80



<b>Global Convertible Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€1,302,861	€6,617,805	€46,242,404
Class I Euro Distribution	€1,104,488	€1,720,819	€1,968,468
Class I Euro Hedged Accumulation	€518,322	€795,346	€1,653,530
Class I Sterling Hedged Accumulation	£32,496,539	£35,200,258	£41,894,588
Class I Sterling Hedged Distribution	£14,899,683	£21,225,548	£28,465,818
Class I Swiss Franc Hedged Accumulation	Sfr. 522,123	Sfr. 763,407	Sfr. 951,876
Class I Sterling Accumulation	£13,242,804	£15,306,497	£23,471,443
Class I Sterling Distribution	£100,683,881	£120,086,769	£165,032,770
Class I US Dollar Accumulation	\$1,483,712	\$1,515,151	\$3,146,734
Class I US Dollar Distribution	\$2,101,675	\$2,096,662	\$2,897,211
Class Portfolio Currency Hedged Euro I Accumulation	€920,160	€32,190,773	€9,141,039
Class Portfolio Currency Hedged Sterling I Distribution	£33,834,389	£38,565,522	£50,325,577
Class Portfolio Currency Hedged Sterling S Distribution	£163,612	£449,513	£80,741,534
Class Portfolio Currency Hedged Sterling Y Distribution	£32,744,029	£43,304,191	–
Class R Euro Accumulation	€709,515	€787,734	€1,003,421
Class R Euro Distribution	€437,574	€601,288	€1,722,165
Class R Sterling Accumulation	£77,365	£81,090	£146,667
Class R Sterling Distribution	£61,592	£64,817	£191,243
Class R US Dollar Accumulation	\$1,936	\$1,810	\$113,083
Class R US Dollar Distribution	\$1,377	\$114,331	\$970,444
Class S Euro Accumulation	€190,484	€160,369	€189,059
Class S Euro Distribution	€691,880	€1,219,524	€616,249
Class S Sterling Hedged Accumulation	£422,969	£405,793	£804,197
Class S Sterling Hedged Distribution	£6,263,864	£3,222,296	£1,760,317
Class S Swiss Franc Hedged Accumulation	Sfr. 498	Sfr. 482	Sfr. 593
Class S Sterling Accumulation	£1,641,351	£1,493,273	£2,005,289
Class S Sterling Distribution	£93,226,587	£131,788,876	£270,114,392
Class S US Dollar Accumulation	\$656,289	\$640,335	\$794,494
Class S US Dollar Distribution	\$2,732,832	\$4,032,396	\$4,344,785
Class SI Sterling Accumulation	£647,409	£57,125,804	£60,707,376
Class SI Sterling Distribution	£1,028	£1,011	–
Class Y Sterling Distribution	£60,157,903	£106,899,337	–



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 12. Comparative Figures continued

<b>Global Convertible Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class I Euro Accumulation	€13.11	€12.63	€14.16
Class I Euro Distribution	€8.52	€8.72	€10.22
Class I Euro Hedged Accumulation	€10.32	€9.81	€12.07
Class I Sterling Hedged Accumulation	£11.16	£10.46	£12.68
Class I Sterling Hedged Distribution	£7.52	£7.49	£9.48
Class I Swiss Franc Hedged Accumulation	Sfr. 9.66	Sfr. 9.39	Sfr. 11.58
Class I Sterling Accumulation	£11.36	£11.20	£11.89
Class I Sterling Distribution	£7.38	£7.74	£8.58
Class I US Dollar Accumulation	\$14.48	\$13.48	\$16.10
Class I US Dollar Distribution	\$9.41	\$9.31	\$11.63
Class Portfolio Currency Hedged Euro I Accumulation	€11.66	€11.00	€13.02
Class Portfolio Currency Hedged Sterling I Distribution	£8.98	£8.92	£10.93
Class Portfolio Currency Hedged Sterling S Distribution	£9.17	£9.05	£11.03
Class Portfolio Currency Hedged Sterling Y Distribution	£9.83	£9.72	–
Class R Euro Accumulation	€12.52	€12.12	€13.66
Class R Euro Distribution	€8.12	€8.35	€9.83
Class R Sterling Accumulation	£10.85	£10.75	£11.47
Class R Sterling Distribution	£7.03	£7.41	£8.26
Class R US Dollar Accumulation	\$13.83	\$12.93	\$15.53
Class R US Dollar Distribution	\$8.97	\$8.91	\$11.18
Class S Euro Accumulation	€11.66	€11.19	€12.51
Class S Euro Distribution	€7.76	€7.92	€9.25
Class S Sterling Hedged Accumulation	£11.52	£10.75	£12.99
Class S Sterling Hedged Distribution	£7.72	£7.67	£9.69
Class S Swiss Franc Hedged Accumulation	Sfr. 9.95	Sfr. 9.64	Sfr. 11.86
Class S Sterling Accumulation	£10.10	£9.93	£10.50
Class S Sterling Distribution	£6.73	£7.03	£7.77
Class S US Dollar Accumulation	\$12.88	\$11.94	\$14.22
Class S US Dollar Distribution	\$8.57	\$8.45	\$10.52
Class SI Sterling Accumulation	£11.57	£11.39	£12.05
Class SI Sterling Distribution	£9.59	£10.02	–
Class Y Sterling Distribution	£9.59	£10.00	–

<b>Global Insurance Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class A Sterling Distribution	£755,433	£1,404,609	£1,212,349
Class B Sterling Accumulation	£9,238,846	£10,146,203	£8,823,869
Class E Sterling Distribution	£506,022,443	£799,814,621	£612,956,941
Class F Sterling Accumulation	£190,978,817	£252,693,888	£233,811,579



<b>Global Insurance Fund</b> continued	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€239,771,967	€279,088,342	€60,093,102
Class I Euro Distribution	€6,808,398	€11,147,670	€11,330,421
Class I Euro Hedged Accumulation	€7,858,438	€16,830,005	€13,835,724
Class Portfolio Currency Hedged I Euro Accumulation	€17,305,239	€15,438,440	–
Class Portfolio Currency Hedged I Sterling Distribution	£4,974,411	£2,803,242.91	–
Class Portfolio Currency Hedged I Swiss Franc Accumulation	Sfr. 21,790,049	Sfr. 19,196,726	–
Class I US Dollar Hedged Accumulation	\$3,295,806	\$1,290,222	\$899,241
Class I Sterling Accumulation	£381,740,261	£407,579,775	£261,091,073
Class I Sterling Distribution	£322,326,855	£375,961,502	£246,245,991
Class I US Dollar Accumulation	\$277,892,603	\$277,688,929	\$231,110,844
Class I US Dollar Distribution	\$34,971,483	\$30,618,565	\$24,329,549
Class R Euro Accumulation	€23,326,175	€35,727,224	€6,133,614
Class R Euro Distribution	€4,556,793	€5,340,561	€2,295,734
Class R Sterling Accumulation	£4,852,791	£4,879,637	£4,167,556
Class R Sterling Distribution	£18,767,894	£19,206,419	£18,709,879
Class R US Dollar Accumulation	\$41,299,359	\$54,329,485	\$62,229,195
Class R US Dollar Distribution	\$1,603,360	\$1,574,691	\$1,390,626
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Sterling Distribution	£7.31	£7.34	£6.02
Class B Sterling Accumulation	£9.99	£9.90	£8.00
Class E Sterling Distribution	£7.80	£7.79	£6.35
Class F Sterling Accumulation	£10.74	£10.59	£8.52
Class I Euro Accumulation	€12.02	€11.58	€9.85
Class I Euro Distribution	€8.80	€8.58	€7.40
Class I Euro Hedged Accumulation	€19.16	€19.19	€15.73
Class Portfolio Currency Hedged I Euro Accumulation	€10.39	€9.95	–
Class Portfolio Currency Hedged I Sterling Distribution	£10.45	£9.97	–
Class Portfolio Currency Hedged I Swiss Franc Accumulation	Sfr. 10.18	Sfr. 9.94	–
Class I US Dollar Hedged Accumulation	\$21.62	\$21.24	\$17.06
Class I Sterling Accumulation	£10.41	£10.27	£8.27
Class I Sterling Distribution	£7.62	£7.61	£6.21
Class I US Dollar Accumulation	\$13.27	\$12.35	\$11.20
Class I US Dollar Distribution	\$9.72	\$9.16	\$8.42
Class R Euro Accumulation	€11.21	€10.86	€9.27
Class R Euro Distribution	€8.28	€8.11	€7.03
Class R Sterling Accumulation	£9.72	£9.63	£7.78
Class R Sterling Distribution	£7.17	£7.20	£5.90
Class R US Dollar Accumulation	\$12.39	\$11.59	\$10.54
Class R US Dollar Distribution	\$9.14	\$8.66	\$7.99



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 12. Comparative Figures continued

<b>Global Technology Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class A Euro Distribution	€13,921,066	€10,154,022	€18,933,704
Class A Sterling Distribution	£16,631,531	£13,020,625	£23,940,322
Class A US Dollar Distribution	\$46,965,473	\$33,099,514	\$86,621,494
Class I Euro Accumulation	€53,026,606	€23,990,401	€61,581,326
Class I Euro Distribution	€289,973,224	€175,231,344	€442,999,275
Class I Hedged Euro Distribution	€43,956,096	€64,573,621	€153,836,170
Class I Hedged Sterling Distribution	£114,556,406	£109,721,381	£196,727,125
Class I Hedged Swiss Franc Distribution	Sfr. 77,141,692	Sfr. 57,350,838	Sfr. 117,469,302
Class I Sterling Distribution	£1,171,923,272	£973,388,681	£1,840,558,637
Class I US Dollar Distribution	\$1,180,340,989	\$866,404,759	\$2,139,038,560
Class R Euro Accumulation	€6,594,752	€2,396,453	€3,320,925
Class R Euro Distribution	€370,153,220	€281,012,954	€487,270,747
Class R Hedged Euro Accumulation	€124,678,526	€74,841,397	€180,591,732
Class R Hedged Euro Distribution	€42,174,708	€32,562,157	€87,764,299
Class R Hedged Swiss Franc Distribution	Sfr. 25,452,626	Sfr. 16,995,275	Sfr. 34,784,358
Class R Sterling Distribution	£35,025,073	£29,338,502	£47,644,324
Class R US Dollar Distribution	\$1,479,313,139	\$1,042,433,789	\$2,194,707,757
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Euro Distribution	€86.63	€58.57	€91.05
Class A Sterling Distribution	£75.07	£51.96	£76.45
Class A US Dollar Distribution	\$95.69	\$62.51	\$103.55
Class I Euro Accumulation	€13.59	€9.14	€14.14
Class I Euro Distribution	€81.50	€54.83	€84.81
Class I Hedged Euro Distribution	€23.33	€15.54	€26.63
Class I Hedged Sterling Distribution	£34.68	£22.73	£38.69
Class I Hedged Swiss Franc Distribution	Sfr. 32.79	Sfr. 22.28	Sfr. 38.32
Class I Sterling Distribution	£70.62	£48.64	£71.21
Class I US Dollar Distribution	\$90.03	\$58.51	\$96.45
Class R Euro Accumulation	€13.37	€9.04	€14.06
Class R Euro Distribution	€76.21	€51.52	€80.10
Class R Hedged Euro Accumulation	€22.58	€15.11	€26.04
Class R Hedged Euro Distribution	€33.30	€22.30	€38.44
Class R Hedged Swiss Franc Distribution	Sfr. 31.55	Sfr. 21.55	Sfr. 37.27
Class R Sterling Distribution	£66.04	£45.71	£67.25
Class R US Dollar Distribution	\$84.18	\$54.99	\$91.09



	Net Asset Value Unaudited 31 December 2023	Net Asset Value Unaudited 31 December 2022	Net Asset Value Unaudited 31 December 2021
<b>Healthcare Blue Chip Fund</b>			
Class I Euro Accumulation	€20,142,663	€2,078,589	€729,776
Class I Euro Distribution	€208,190	€212,846	€94,096
Class I Euro Hedged Accumulation	€1,080	€1,042	–
Class I Sterling Accumulation	£33,245,372	£31,044,206	£15,449,569
Class I Sterling Distribution	£5,515,149	£5,540,516	£3,297,356
Class I US Dollar Accumulation	\$35,439,880	\$8,194,826	\$1,233,544
Class I US Dollar Distribution	\$100,440	\$109,437	\$85,093
Class R Euro Accumulation	€57,464	€996	–
Class R US Dollar Accumulation	\$1,115	\$429,961	–
Class S Sterling Accumulation	£3,635,402	£3,951,359	£3,709,578
Class S Sterling Distribution	£214,980	£1,063,491	£736,419
Class S Sterling Hedged Distribution	£1,946,718	£1,846,261	£1,790
Class S US Dollar Accumulation	\$151	\$142	\$150
Class S US Dollar Distribution	\$994	\$936	\$991
Class SI Sterling Distribution	£99,249,547	£94,173,259	£60,749,208
Class SI US Dollar Distribution	\$12,332,649	\$31,124,194	\$73,073
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€17.75	€17.32	€17.25
Class I Euro Distribution	€16.41	€16.16	€16.22
Class I Euro Hedged Accumulation	€10.80	€10.42	–
Class I Sterling Accumulation	£15.38	£15.36	£14.49
Class I Sterling Distribution	£14.22	£14.33	£13.62
Class I US Dollar Accumulation	\$19.61	\$18.48	\$19.62
Class I US Dollar Distribution	\$18.13	\$17.24	\$18.44
Class R Euro Accumulation	€10.10	€9.90	–
Class R US Dollar Accumulation	\$11.15	\$10.56	–
Class S Sterling Accumulation	£15.58	£15.54	£14.63
Class S Sterling Distribution	£14.41	£14.50	£13.76
Class S Sterling Hedged Distribution	£16.75	£16.04	£17.43
Class S US Dollar Accumulation	\$19.87	\$18.69	\$19.82
Class S US Dollar Distribution	\$18.37	\$17.45	\$18.63
Class SI Sterling Distribution	£12.82	£12.88	£12.19
Class SI US Dollar Distribution	\$16.34	\$15.50	\$16.52



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 12. Comparative Figures continued

	Net Asset Value Unaudited 31 December 2023	Net Asset Value Unaudited 31 December 2022	Net Asset Value Unaudited 31 December 2021
<b>Healthcare Discovery Fund</b>			
Class I Sterling Accumulation	£1,278,961	£1,470,391	£1,815,430
Class I US Dollar Accumulation	\$1,622,222	\$6,316,462	\$9,402,846
Class S Sterling Accumulation	£4,225,664	£17,146,185	£34,651,717
Class S US Dollar Accumulation	\$1,296	\$10,305,693	\$13,752,278
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Sterling Accumulation	£9.97	£9.80	£11.42
Class I US Dollar Accumulation	\$12.71	\$11.79	\$15.47
Class S Sterling Accumulation	£10.11	£9.89	£11.47
Class S US Dollar Accumulation	\$12.89	\$11.89	\$15.54
<b>Healthcare Opportunities Fund</b>			
	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class A Euro Distribution	€4,637,294	€5,552,456	€6,169,289
Class A Sterling Distribution	£1,849,473	£2,671,886	£2,976,956
Class A US Dollar Distribution	\$7,077,754	\$6,911,072	\$8,280,305
Class I Euro Accumulation	€19,060,517	€20,429,002	€39,229,856
Class I Euro Distribution	€104,050,150	€104,897,529	€205,605,571
Class I Euro Hedged Accumulation	€4,668,984	€5,865,525	€3,734,725
Class I Sterling Distribution	£847,261,151	£927,656,408	£950,150,017
Class I US Dollar Accumulation	\$52,699,111	\$26,443,131	\$29,503,027
Class I US Dollar Distribution	\$119,463,714	\$164,109,503	\$250,066,265
Class R Euro Accumulation	€4,685,148	€4,727,437	€3,746,997
Class R Euro Distribution	€69,007,424	€74,818,331	€85,419,548
Class R Sterling Distribution	£12,685,460	£11,899,916	£15,296,765
Class R US Dollar Accumulation	\$10,281,378	\$8,160,875	\$10,442,946
Class R US Dollar Distribution	\$120,794,238	\$117,704,992	\$137,406,194
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Euro Distribution	€41.67	€39.37	€40.54
Class A Sterling Distribution	£36.11	£34.93	£34.04
Class A US Dollar Distribution	\$46.03	\$42.02	\$46.10
Class I Euro Accumulation	€15.35	€14.43	€14.78
Class I Euro Distribution	€64.27	€60.42	€61.90
Class I Euro Hedged Accumulation	€14.58	€13.58	€15.33
Class I Sterling Distribution	£55.69	£53.61	£51.97
Class I US Dollar Accumulation	\$69.97	\$63.56	\$69.38
Class I US Dollar Distribution	\$70.99	\$64.48	\$70.39



<b>Healthcare Opportunities Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class R Euro Accumulation	€58.91	€55.66	€57.31
Class R Euro Distribution	€59.86	€56.56	€58.23
Class R Sterling Distribution	£51.87	£50.18	£48.89
Class R US Dollar Accumulation	\$65.08	\$59.41	\$65.17
Class R US Dollar Distribution	\$66.13	\$60.36	\$66.22

<b>Japan Value Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Euro Accumulation	€1,061	–	–
Class I Euro Distribution	€1,210	€1,051	€1,027
Class I Euro Hedged Accumulation	€1,059	–	–
Class I Euro Hedged Distribution	€1,387	€1,047	€953
Class I Japanese Yen Accumulation	¥188,181	–	–
Class I Japanese Yen Distribution	¥439,672,299	¥5,247,114	¥182,091
Class I Sterling Distribution	£231,321	£150,164	£79,875
Class I Sterling Hedged Distribution	£28,938	£42,029	£56,070
Class I Swiss Franc Hedged Distribution	Sfr. 23,025	Sfr. 1,196	Sfr. 1,089
Class I US Dollar Accumulation	\$1,078	–	–
Class I US Dollar Distribution	\$1,091	\$914	\$946
Class I US Dollar Hedged Accumulation	\$1,065	–	–
Class I US Dollar Hedged Distribution	\$716,020	\$485,954	\$383,554
Class R Euro Distribution	€239,735	€216,296	€99,602
Class R Euro Hedged Distribution	€5,965,914	€4,802,625	€4,849,304
Class R Japanese Yen Distribution	¥1,169,483,700	¥1,115,636,513	¥1,147,693,152
Class R Sterling Distribution	£11,125	£4,651	£5,168
Class R Sterling Hedged Distribution	£2,308,503	£2,872,553	£2,468,610
Class R Swiss Franc Hedged Distribution	Sfr. 1,905,098	Sfr. 1,887,301	Sfr. 2,440,262
Class R US Dollar Distribution	\$366,205	\$397,252	\$551,453
Class R US Dollar Hedged Distribution	\$24,105,469	\$21,402,169	\$25,039,578
Class S Euro Distribution	€678,284	€358,678	€12,623,521
Class S Euro Hedged Distribution	€2,986,350	€2,470,180	€4,072,121
Class S Japanese Yen Distribution	¥10,183,251,299	¥3,232,898,283	¥3,154,136,123
Class S Sterling Distribution	£60,825,913	£62,744,151	£45,830,446
Class S Sterling Hedged Distribution	£12,629,966	£11,716,772	£12,006,326
Class S Swiss Franc Hedged Distribution	Sfr. 1,602,067	Sfr. 1,362,593	Sfr. 2,150,981
Class S US Dollar Distribution	\$14,989,158	\$12,332,359	\$13,166,044
Class S US Dollar Hedged Distribution	\$17,679,398	\$16,032,428	\$18,105,065



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 12. Comparative Figures continued

Japan Value Fund continued	NAV per share 31 December 2023	NAV per share 31 December 2022	NAV per share 31 December 2021
Class I Euro Accumulation	€6.68	€0.00	–
Class I Euro Distribution	€1.17	€1.01	€0.99
Class I Euro Hedged Accumulation	€10.59	€0.00	–
Class I Euro Hedged Distribution	€13.72	€10.47	€9.53
Class I Japanese Yen Accumulation	¥1,045.45	¥0.00	–
Class I Japanese Yen Distribution	¥182.37	¥142.22	¥128.69
Class I Sterling Distribution	£1.01	£0.90	£0.83
Class I Sterling Hedged Distribution	£14.49	£10.91	£9.79
Class I Swiss Franc Hedged Distribution	Sfr. 15.34	Sfr. 11.96	Sfr. 10.89
Class I US Dollar Accumulation	\$7.39	\$0.00	–
Class I US Dollar Distribution	\$1.29	\$1.08	\$1.12
Class I US Dollar Hedged Accumulation	\$10.65	\$0.00	–
Class I US Dollar Hedged Distribution	\$15.40	\$11.55	\$10.28
Class R Euro Distribution	€2.32	€2.04	€2.00
Class R Euro Hedged Distribution	€3.24	€2.48	€2.26
Class R Japanese Yen Distribution	¥363.55	¥286.85	¥260.46
Class R Sterling Distribution	£2.02	£1.81	£1.68
Class R Sterling Hedged Distribution	£2.76	£2.08	£1.87
Class R Swiss Franc Hedged Distribution	Sfr. 15.15	Sfr. 11.81	Sfr. 10.81
Class R US Dollar Distribution	\$2.57	\$2.18	\$3.25
Class R US Dollar Hedged Distribution	\$4.85	\$3.64	\$2.26
Class S Euro Distribution	€2.48	€2.18	€2.12
Class S Euro Hedged Distribution	€3.45	€2.64	€2.39
Class S Japanese Yen Distribution	¥387.80	¥305.64	¥275.45
Class S Sterling Distribution	£2.15	£1.92	£1.78
Class S Sterling Hedged Distribution	£2.95	£2.22	£1.99
Class S Swiss Franc Hedged Distribution	Sfr. 15.55	Sfr. 12.11	Sfr. 10.99
Class S US Dollar Distribution	\$2.74	\$2.32	\$2.39
Class S US Dollar Hedged Distribution	\$5.21	\$3.90	\$3.45



	Net Asset Value Unaudited 31 December 2023	Net Asset Value Unaudited 31 December 2022	Net Asset Value Unaudited 31 December 2021
<b>North American Fund</b>			
Class I Euro Distribution	€196,297	€298,268	€339,509
Class I Euro Hedged Distribution	€815,565	€9,105,176	€80,455,582
Class I Sterling Hedged Distribution	£16,370,616	£30,370,013	£51,844,686
Class I Swiss Franc Hedged Distribution	Sfr. 392,568	Sfr. 924,731	Sfr. 1,990,289
Class I Sterling Distribution	£76,382,058	£82,247,384	£117,852,890
Class I US Dollar Distribution	\$310,511,303	\$300,021,118	\$416,954,758
Class R Euro Distribution	€1,431,468	€1,453,335	€5,046,768
Class R Euro Hedged Distribution	€48,425,554	€34,874,236	€6,183,533
Class R Sterling Hedged Distribution	£1,247,082	£1,023,763	£1,625,361
Class R Sterling Distribution	£600,844	£552,533	£564,614
Class R US Dollar Distribution	\$22,211,341	\$19,089,059	\$57,955,332
Class S Euro Distribution	€1,359,568	€1,347,584	€1,300,722
Class S Euro Hedged Distribution	€638,261	€577,735	€734,223
Class S Sterling Hedged Distribution	£10,859,677	£15,253,523	£21,974,628
Class S Sterling Distribution	£125,139,671	£164,048,798	£210,126,020
Class S US Dollar Distribution	\$89,505,672	\$98,041,948	\$120,289,480
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Distribution	€35.37	€29.76	€34.11
Class I Euro Hedged Distribution	€32.14	€26.75	€33.81
Class I Sterling Hedged Distribution	£34.24	£28.00	£35.19
Class I Swiss Franc Hedged Distribution	Sfr. 17.41	Sfr. 14.84	Sfr. 18.81
Class I Sterling Distribution	£30.65	£26.40	£28.64
Class I US Dollar Distribution	\$39.08	\$31.76	\$38.79
Class R Euro Distribution	€32.99	€27.92	€32.19
Class R Euro Hedged Distribution	€29.92	€24.98	€31.86
Class R Sterling Hedged Distribution	£31.92	£26.33	£33.31
Class R Sterling Distribution	£28.59	£24.77	£27.03
Class R US Dollar Distribution	\$36.44	\$29.80	\$36.61
Class S Euro Distribution	€35.84	€30.14	€34.52
Class S Euro Hedged Distribution	€32.54	€27.06	€34.29
Class S Sterling Hedged Distribution	£34.65	£28.40	£35.67
Class S Sterling Distribution	£31.06	£26.74	£28.99
Class S US Dollar Distribution	\$39.59	\$32.17	\$39.26



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 12. Comparative Figures continued

	Net Asset Value Unaudited 31 December 2023	Net Asset Value Unaudited 31 December 2022	Net Asset Value Unaudited 31 December 2021
<b>Smart Energy Fund</b>			
Class I Euro Accumulation	€67,502,446	€6,979,508	€5,242,579
Class I Sterling Accumulation	£21,880,534	£14,611,956	£852,111
Class I Swedish Krona Accumulation	SEK 1,157	SEK 1,010	SEK 1,101
Class I Swiss Franc Accumulation	Sfr. 550,203	Sfr. 40,876	Sfr 1,040
Class I US Dollar Accumulation	\$42,715,267	\$31,941,774	\$16,018,982
Class R Euro Accumulation	€2,036,874	€698,970	€594,991
Class R Sterling Accumulation	£160,274	£116,362	£1,057
Class R Swedish Krona Accumulation	SEK 561,606,363	SEK 185,842,592	SEK 1,099
Class R Swiss Franc Accumulation	Sfr. 892	Sfr. 912	Sfr 2,974
Class R US Dollar Accumulation	\$92,639,422	\$52,273,367	\$3,836,824
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€9.10	€7.95	€9.36
Class I Sterling Accumulation	£7.88	£7.05	£7.86
Class I Swedish Krona Accumulation	SEK 101.25	SEK 88.35	SEK 96.34
Class I Swiss Franc Accumulation	Sfr. 8.46	Sfr. 7.85	Sfr 9.70
Class I US Dollar Accumulation	\$10.05	\$8.48	\$10.64
Class R Euro Accumulation	€8.95	€7.87	€9.34
Class R Sterling Accumulation	£7.76	£6.99	£7.84
Class R Swedish Krona Accumulation	SEK 99.64	SEK 87.57	SEK 96.16
Class R Swiss Franc Accumulation	Sfr. 8.32	Sfr. 7.78	Sfr 9.68
Class R US Dollar Accumulation	\$9.89	\$8.40	\$10.62
	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
<b>Smart Mobility Fund</b>			
Class I Euro Accumulation	€3,310,493	€2,806,886	€1,409,098
Class I Sterling Accumulation	£998,045	£2,718,755	£326,830
Class I Swedish Krona Accumulation	SEK 1,048	SEK 945	SEK 1,094
Class I Swiss Franc Accumulation	Sfr. 346,481	Sfr. 58,406	Sfr 1,032
Class I US Dollar Accumulation	\$4,651,368	\$3,983,096	\$5,304,026
Class R Euro Accumulation	€77,741	€54,839	€17,687
Class R Sterling Accumulation	£947	£881	£1,051
Class R Swedish Krona Accumulation	SEK 5,176	SEK 1,035	SEK 1,093
Class R Swiss Franc Accumulation	Sfr. 808	Sfr. 780	Sfr 1,031
Class R US Dollar Accumulation	\$896	\$787	\$1,056



<b>Smart Mobility Fund</b> continued	<b>NAV per share 31 December 2023</b>	<b>NAV per share 31 December 2022</b>	<b>NAV per share 31 December 2021</b>
Class I Euro Accumulation	€8.24	€7.43	€9.30
Class I Sterling Accumulation	£7.14	£6.60	£7.81
Class I Swedish Krona Accumulation	SEK 91.69	SEK 82.66	SEK 95.74
Class I Swiss Franc Accumulation	Sfr. 7.66	Sfr. 7.34	Sfr 9.63
Class I US Dollar Accumulation	\$9.10	\$7.93	\$10.57
Class R Euro Accumulation	€8.11	€7.37	€9.29
Class R Sterling Accumulation	£7.03	£6.54	£7.80
Class R Swedish Krona Accumulation	SEK 90.29	SEK 81.98	SEK 95.61
Class R Swiss Franc Accumulation	Sfr. 7.54	Sfr. 7.28	Sfr 9.62
Class R US Dollar Accumulation	\$8.96	\$7.87	\$10.56

<b>UK Value Opportunities Fund</b>	<b>Net Asset Value Unaudited 31 December 2023</b>	<b>Net Asset Value Unaudited 31 December 2022</b>	<b>Net Asset Value Unaudited 31 December 2021</b>
Class I Sterling Accumulation	£87,796,089	£124,569,633	£140,431,200
Class I Sterling Distribution	£55,484,537	£95,693,099	£165,459,543
Class R Sterling Accumulation	£988,838	£1,307,249	£2,089,281
Class S Sterling Accumulation	£185,124,895	£160,758,014	£243,618,047
Class S Sterling Distribution	£446,329,343	£626,791,872	£1,009,212,051
Class Z Sterling Accumulation	£1,213	£1,097	£54,887,100

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Sterling Accumulation	£13.16	£11.99	£14.64
Class I Sterling Distribution	£11.92	£11.16	£13.83
Class R Sterling Accumulation	£10.88	£9.97	£12.25
Class S Sterling Accumulation	£13.27	£12.07	£14.72
Class S Sterling Distribution	£11.95	£11.18	£13.86
Class Z Sterling Accumulation	£12.13	£10.97	£13.30



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 13. Distributions

During the financial year ended 31 December 2023 the following Funds declared and paid distributions as follows:

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Asian Stars Fund</b>						
Class S US Dollar Distribution	03/01/2023	31/01/2023	\$0.0448	30,100	\$1,349	01/10/2022 – 31/12/2022

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Market Stars Fund</b>						
Class S Euro Distribution	03/01/2023	31/01/2023	€0.0400	15,378	€616	01/10/2022 – 31/12/2022
Class S US Dollar Distribution	03/01/2023	31/01/2023	\$0.0580	2,741,933	\$159,060	01/10/2022 – 31/12/2022
Class SX Sterling Distribution	03/01/2023	31/01/2023	£0.0230	15,357,454	£352,648	01/10/2022 – 31/12/2022
Class SX US Dollar Distribution	03/01/2023	31/01/2023	\$0.0195	10,106,618	\$197,470	01/10/2022 – 31/12/2022

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0393	336,331	£13,218	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/04/2023	28/04/2023	£0.0640	1,166,135	£74,633	01/01/2023 – 31/03/2023
Class I Sterling Distribution	03/07/2023	31/07/2023	£0.2444	1,692,917	£413,749	03/04/2023 – 30/06/2023
Class I Sterling Distribution	02/10/2023	31/10/2023	£0.0304	1,996,545	£60,695	01/07/2023 – 30/09/2023
Class I Sterling Hedged Distribution	03/01/2023	31/01/2023	£0.0471	58,014	£2,732	01/10/2022 – 31/12/2022
Class I Sterling Hedged Distribution	03/04/2023	28/04/2023	£0.0756	69,108	£5,225	01/01/2023 – 31/03/2023
Class I Sterling Hedged Distribution	03/07/2023	31/07/2023	£0.2936	135,709	£39,844	03/04/2023 – 30/06/2023
Class I Sterling Hedged Distribution	02/10/2023	31/10/2023	£0.0371	147,503	£5,472	01/07/2023 – 30/09/2023
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.0396	4,023,745	£159,340	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/04/2023	28/04/2023	£0.0646	3,660,891	£236,494	01/01/2023 – 31/03/2023
Class S Sterling Distribution	03/07/2023	31/07/2023	£0.2466	3,616,059	£891,720	03/04/2023 – 30/06/2023
Class S Sterling Distribution	02/10/2023	31/10/2023	£0.0306	3,281,851	£100,425	01/07/2023 – 30/09/2023
Class S Sterling Hedged Distribution	03/01/2023	31/01/2023	£0.0473	48,806	£2,309	01/10/2022 – 31/12/2022
Class S Sterling Hedged Distribution	03/04/2023	28/04/2023	£0.0758	44,354	£3,362	01/01/2023 – 31/03/2023
Class S Sterling Hedged Distribution	03/07/2023	31/07/2023	£0.2944	41,519	£12,223	03/04/2023 – 30/06/2023
Class S Sterling Hedged Distribution	02/10/2023	31/10/2023	£0.0372	41,560	£1,546	01/07/2023 – 30/09/2023
Class X Sterling Distribution	03/01/2023	31/01/2023	£0.0436	4,362,347	£190,198	01/10/2022 – 31/12/2022
Class X Sterling Distribution	03/04/2023	28/04/2023	£0.0709	3,692,047	£261,766	01/01/2023 – 31/03/2023
Class X Sterling Distribution	03/07/2023	31/07/2023	£0.2702	3,026,748	£817,827	03/04/2023 – 30/06/2023
Class X Sterling Distribution	02/10/2023	31/10/2023	£0.0335	3,523,526	£118,038	01/07/2023 – 30/09/2023



31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Credit Fund</b>						
Class I Euro Distribution	03/01/2023	31/01/2023	€0.0210	779	€16	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/04/2023	28/04/2023	€0.0212	788	€17	01/01/2023 – 31/03/2023
Class I Euro Distribution	03/07/2023	31/07/2023	€0.0260	798	€21	03/04/2023 – 30/06/2023
Class I Euro Distribution	02/10/2023	31/10/2023	€0.0258	810	€21	01/07/2023 – 30/09/2023
Class I Euro Hedged Distribution	03/01/2023	31/01/2023	€0.1490	934	€139	01/10/2022 – 31/12/2022
Class I Euro Hedged Distribution	03/04/2023	28/04/2023	€0.1490	936	€139	01/01/2023 – 31/03/2023
Class I Euro Hedged Distribution	03/07/2023	31/07/2023	€0.1780	937	€167	03/04/2023 – 30/06/2023
Class I Euro Hedged Distribution	02/10/2023	31/10/2023	€0.1780	140	€25	01/07/2023 – 30/09/2023
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0187	4,927,988	£91,907	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/04/2023	28/04/2023	£0.0187	4,804,666	£89,607	01/01/2023 – 31/03/2023
Class I Sterling Distribution	03/07/2023	31/07/2023	£0.0224	4,601,305	£102,839	03/04/2023 – 30/06/2023
Class I Sterling Distribution	02/10/2023	31/10/2023	£0.0224	4,296,687	£96,031	01/07/2023 – 30/09/2023
Class I US Dollar Distribution	03/01/2023	31/01/2023	\$0.0224	250,636	\$5,614	01/10/2022 – 31/12/2022
Class I US Dollar Distribution	03/04/2023	28/04/2023	\$0.0231	250,644	\$5,790	01/01/2023 – 31/03/2023
Class I US Dollar Distribution	03/07/2023	31/07/2023	\$0.0284	232,187	\$6,594	03/04/2023 – 30/06/2023
Class I US Dollar Distribution	02/10/2023	31/10/2023	\$0.0273	232,198	\$6,339	01/07/2023 – 30/09/2023
Class R Euro Distribution	03/01/2023	31/01/2023	€0.0196	69,036	€1,353	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/04/2023	28/04/2023	€0.0198	69,045	€1,367	01/01/2023 – 31/03/2023
Class R Euro Distribution	03/07/2023	31/07/2023	€0.0243	69,055	€1,678	03/04/2023 – 30/06/2023
Class R Euro Distribution	02/10/2023	31/10/2023	€0.0240	69,067	€1,658	01/07/2023 – 30/09/2023
Class R Euro Hedged Distribution	03/01/2023	31/01/2023	€0.1490	95,320	€14,203	01/10/2022 – 31/12/2022
Class R Euro Hedged Distribution	03/04/2023	28/04/2023	€0.1490	99,468	€14,821	01/01/2023 – 31/03/2023
Class R Euro Hedged Distribution	03/07/2023	31/07/2023	€0.1780	95,323	€16,968	03/04/2023 – 30/06/2023
Class R Euro Hedged Distribution	02/10/2023	31/10/2023	€0.1780	95,325	€16,968	01/07/2023 – 30/09/2023
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.0174	3,138,447	£54,546	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/04/2023	28/04/2023	£0.0174	3,034,483	£52,739	01/01/2023 – 31/03/2023
Class R Sterling Distribution	03/07/2023	31/07/2023	£0.0209	2,969,597	£61,916	03/04/2023 – 30/06/2023
Class R Sterling Distribution	02/10/2023	31/10/2023	£0.0209	2,421,845	£50,495	01/07/2023 – 30/09/2023
Class R US Dollar Distribution	03/01/2023	31/01/2023	\$0.0209	701,407	\$14,659	01/10/2022 – 31/12/2022
Class R US Dollar Distribution	03/04/2023	28/04/2023	\$0.0215	701,416	\$15,080	01/01/2023 – 31/03/2023
Class R US Dollar Distribution	03/07/2023	31/07/2023	\$0.0265	701,424	\$18,588	03/04/2023 – 30/06/2023
Class R US Dollar Distribution	02/10/2023	31/10/2023	\$0.0254	701,435	\$17,816	01/07/2023 – 30/09/2023
Class R US Dollar Hedged Distribution	03/01/2023	31/01/2023	\$0.1350	300,957	\$40,629	01/10/2022 – 31/12/2022
Class R US Dollar Hedged Distribution	03/04/2023	28/04/2023	\$0.1350	293,658	\$39,644	01/01/2023 – 31/03/2023
Class R US Dollar Hedged Distribution	03/07/2023	31/07/2023	\$0.1620	259,950	\$42,112	03/04/2023 – 30/06/2023
Class R US Dollar Hedged Distribution	02/10/2023	31/10/2023	\$0.1620	169,012	\$27,380	01/07/2023 – 30/09/2023



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 13. Distributions continued

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Opportunities Fund</b>						
Class I Euro Distribution	03/01/2023	31/01/2023	€0.0927	133,059	€12,335	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/07/2023	31/07/2023	€0.2058	135,366	€27,858	03/04/2023 – 30/06/2023
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0822	315,820	£25,960	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/07/2023	31/07/2023	£0.1766	299,985	£52,977	03/04/2023 – 30/06/2023
Class I US Dollar Distribution	03/01/2023	31/01/2023	\$0.0989	599	\$59	01/10/2022 – 31/12/2022
Class I US Dollar Distribution	03/07/2023	31/07/2023	\$0.2245	725	\$163	03/04/2023 – 30/06/2023
Class R Euro Distribution	03/01/2023	31/01/2023	€0.0880	16,732	€1,472	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/07/2023	31/07/2023	€0.1948	16,732	€3,259	03/04/2023 – 30/06/2023
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.0780	6,336	£494	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/07/2023	31/07/2023	£0.1672	6,359	£1,063	03/04/2023 – 30/06/2023
Class R US Dollar Distribution	03/01/2023	31/01/2023	\$0.0939	9	\$1	01/10/2022 – 31/12/2022
Class R US Dollar Distribution	03/07/2023	31/07/2023	\$0.2125	9	\$2	03/04/2023 – 30/06/2023
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.0753	208,815	£15,724	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/07/2023	31/07/2023	£0.1619	157,160	£25,444	03/04/2023 – 30/06/2023
Class S US Dollar Distribution	03/01/2023	31/01/2023	\$0.0906	230,862	\$20,916	01/10/2022 – 31/12/2022
Class S US Dollar Distribution	03/07/2023	31/07/2023	\$0.2059	177,418	\$36,530	03/04/2023 – 30/06/2023

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Absolute Return Fund</b>						
Class I JPY Hedged Distribution	03/01/2023	31/01/2023	¥25.7179	155	¥3,985	01/10/2022 – 31/12/2022
Class I Sterling Hedged Distribution	03/01/2023	31/01/2023	£2.6172	13,728	£35,930	01/10/2022 – 31/12/2022
Class I US Dollar Distribution	03/01/2023	31/01/2023	\$2.7024	10	\$27	01/10/2022 – 31/12/2022
Class S JPY Hedged Distribution	03/01/2023	31/01/2023	¥25.7381	155	¥3,988	01/10/2022 – 31/12/2022
Class S Sterling Hedged Distribution	03/01/2023	31/01/2023	£2.6160	308	£806	01/10/2022 – 31/12/2022

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
Class I Euro Distribution	03/01/2023	31/01/2023	€0.1308	197,342	€25,812	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/04/2023	28/04/2023	€0.1301	195,796	€25,473	01/01/2023 – 31/03/2023
Class I Euro Distribution	03/07/2023	31/07/2023	€0.1265	201,573	€25,499	03/04/2023 – 30/06/2023
Class I Euro Distribution	02/10/2023	31/10/2023	€0.1245	186,355	€23,201	01/07/2023 – 30/09/2023
Class I Hedged Sterling Distribution	03/01/2023	31/01/2023	£0.1122	2,833,852	£317,958	01/10/2022 – 31/12/2022
Class I Hedged Sterling Distribution	03/04/2023	28/04/2023	£0.1134	2,935,051	£332,835	01/01/2023 – 31/03/2023



31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.1161	15,515,086	£1,801,302	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/04/2023	28/04/2023	£0.1143	15,485,882	£1,770,036	01/01/2023 – 31/03/2023
Class I Sterling Distribution	03/07/2023	31/07/2023	£0.1085	14,884,929	£1,615,015	03/04/2023 – 30/06/2023
Class I Sterling Distribution	02/10/2023	31/10/2023	£0.1080	14,284,853	£1,542,764	01/07/2023 – 30/09/2023
Class I Sterling Hedged Distribution	03/07/2023	31/07/2023	£0.1102	2,794,744	£307,981	03/04/2023 – 30/06/2023
Class I Sterling Hedged Distribution	02/10/2023	31/10/2023	£0.1055	2,167,453	£228,666	01/07/2023 – 30/09/2023
Class I US Dollar Distribution	03/01/2023	31/01/2023	\$0.1396	225,205	\$31,439	01/10/2022 – 31/12/2022
Class I US Dollar Distribution	03/04/2023	28/04/2023	\$0.1413	221,450	\$31,291	01/01/2023 – 31/03/2023
Class I US Dollar Distribution	03/07/2023	31/07/2023	\$0.1380	241,050	\$33,265	03/04/2023 – 30/06/2023
Class I US Dollar Distribution	02/10/2023	31/10/2023	\$0.1318	233,911	\$30,829	01/07/2023 – 30/09/2023
Class Portfolio Currency Hedged Sterling I Distribution	03/01/2023	31/01/2023	£0.1338	4,323,489	£578,483	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged Sterling I Distribution	03/04/2023	28/04/2023	£0.1349	4,277,680	£577,059	01/01/2023 – 31/03/2023
Class Portfolio Currency Hedged Sterling I Distribution	03/07/2023	31/07/2023	£0.1322	4,138,882	£547,160	03/04/2023 – 30/06/2023
Class Portfolio Currency Hedged Sterling I Distribution	02/10/2023	31/10/2023	£0.1276	4,052,623	£517,115	01/07/2023 – 30/09/2023
Class Portfolio Currency Hedged Sterling S Distribution	03/01/2023	31/01/2023	£0.1358	49,670	£6,745	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged Sterling S Distribution	03/04/2023	28/04/2023	£0.1371	29,403	£4,031	01/01/2023 – 31/03/2023
Class Portfolio Currency Hedged Sterling S Distribution	03/07/2023	31/07/2023	£0.1346	24,566	£3,307	03/04/2023 – 30/06/2023
Class Portfolio Currency Hedged Sterling S Distribution	02/10/2023	31/10/2023	£0.1300	22,423	£2,915	01/07/2023 – 30/09/2023
Class Portfolio Currency Hedged Sterling Y Distribution	03/01/2023	31/01/2023	£0.1536	4,455,164	£684,313	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged Sterling Y Distribution	03/04/2023	28/04/2023	£0.1472	4,314,402	£635,080	01/01/2023 – 31/03/2023
Class Portfolio Currency Hedged Sterling Y Distribution	03/07/2023	31/07/2023	£0.1445	4,184,664	£604,684	03/04/2023 – 30/06/2023
Class Portfolio Currency Hedged Sterling Y Distribution	02/10/2023	31/10/2023	£0.1393	3,512,712	£489,321	01/07/2023 – 30/09/2023
Class R Euro Distribution	03/01/2023	31/01/2023	€0.1253	72,011	€9,023	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/04/2023	28/04/2023	€0.1244	54,513	€6,781	01/01/2023 – 31/03/2023
Class R Euro Distribution	03/07/2023	31/07/2023	€0.1208	54,516	€6,586	03/04/2023 – 30/06/2023
Class R Euro Distribution	02/10/2023	31/10/2023	€0.1186	53,885	€6,391	01/07/2023 – 30/09/2023



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 13. Distributions continued

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.1111	8,747	£972	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/04/2023	28/04/2023	£0.1093	8,751	£956	01/01/2023 – 31/03/2023
Class R Sterling Distribution	03/07/2023	31/07/2023	£0.1037	8,754	£908	03/04/2023 – 30/06/2023
Class R Sterling Distribution	02/10/2023	31/10/2023	£0.1029	8,758	£901	01/07/2023 – 30/09/2023
Class R US Dollar Distribution	03/01/2023	31/01/2023	\$0.1337	12,832	\$1,716	01/10/2022 – 31/12/2022
Class R US Dollar Distribution	03/04/2023	28/04/2023	\$0.1352	337	\$46	01/01/2023 – 31/03/2023
Class R US Dollar Distribution	03/07/2023	31/07/2023	\$0.1318	164	\$22	03/04/2023 – 30/06/2023
Class R US Dollar Distribution	02/10/2023	31/10/2023	\$0.1256	151	\$19	01/07/2023 – 30/09/2023
Class S Euro Distribution	03/01/2023	31/01/2023	€0.1186	153,980	€18,262	01/10/2022 – 31/12/2022
Class S Euro Distribution	03/04/2023	28/04/2023	€0.1183	157,047	€18,579	01/01/2023 – 31/03/2023
Class S Euro Distribution	03/07/2023	31/07/2023	€0.1150	165,578	€19,041	03/04/2023 – 30/06/2023
Class S Euro Distribution	02/10/2023	31/10/2023	€0.1134	99,182	€11,247	01/07/2023 – 30/09/2023
Class S Hedged Sterling Distribution	03/01/2023	31/01/2023	£0.1150	420,117	£48,313	01/10/2022 – 31/12/2022
Class S Hedged Sterling Distribution	03/04/2023	28/04/2023	£0.1163	969,759	£112,783	01/01/2023 – 31/03/2023
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.1052	18,746,640	£1,972,146	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/04/2023	28/04/2023	£0.1039	18,243,455	£1,895,495	01/01/2023 – 31/03/2023
Class S Sterling Distribution	03/07/2023	31/07/2023	£0.0987	17,079,008	£1,685,698	03/04/2023 – 30/06/2023
Class S Sterling Distribution	02/10/2023	31/10/2023	£0.0984	15,333,327	£1,508,799	01/07/2023 – 30/09/2023
Class S Sterling Hedged Distribution	03/07/2023	31/07/2023	£0.1133	909,671	£103,066	03/04/2023 – 30/06/2023
Class S Sterling Hedged Distribution	02/10/2023	31/10/2023	£0.1075	896,280	£96,350	01/07/2023 – 30/09/2023
Class S US Dollar Distribution	03/01/2023	31/01/2023	\$0.1266	477,207	\$60,414	01/10/2022 – 31/12/2022
Class S US Dollar Distribution	03/04/2023	28/04/2023	\$0.1285	466,133	\$59,898	01/01/2023 – 31/03/2023
Class S US Dollar Distribution	03/07/2023	31/07/2023	\$0.1255	457,928	\$57,470	03/04/2023 – 30/06/2023
Class S US Dollar Distribution	02/10/2023	31/10/2023	\$0.1201	349,439	\$41,968	01/07/2023 – 30/09/2023
Class SI Sterling Distribution	03/07/2023	31/07/2023	£0.1409	104	£15	03/04/2023 – 30/06/2023
Class SI Sterling Distribution	02/10/2023	31/10/2023	£0.1401	106	£15	01/07/2023 – 30/09/2023
Class SI Sterling S Distribution	03/01/2023	31/01/2023	£0.1502	101	£15	01/10/2022 – 31/12/2022
Class SI Sterling S Distribution	03/04/2023	28/04/2023	£0.1481	102	£15	01/01/2023 – 31/03/2023
Class Y Sterling Distribution	03/07/2023	31/07/2023	£0.1409	10,273,718	£1,447,567	03/04/2023 – 30/06/2023
Class Y Sterling Distribution	02/10/2023	31/10/2023	£0.1399	6,743,835	£943,462	01/07/2023 – 30/09/2023
Class Y Sterling S Distribution	03/01/2023	31/01/2023	£0.1500	10,689,934	£1,603,490	01/10/2022 – 31/12/2022
Class Y Sterling S Distribution	03/04/2023	28/04/2023	£0.1481	10,304,483	£1,526,094	01/01/2023 – 31/03/2023



31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b>						
Class A Sterling Distribution	03/01/2023	31/01/2023	£0.0181	191,332	£3,463	01/10/2022 – 31/12/2022
Class A Sterling Distribution	03/04/2023	28/04/2023	£0.0254	170,018	£4,318	01/01/2023 – 31/03/2023
Class A Sterling Distribution	03/07/2023	31/07/2023	£0.0250	167,982	£4,200	03/04/2023 – 30/06/2023
Class A Sterling Distribution	02/10/2023	31/10/2023	£0.0203	114,747	£2,329	01/07/2023 – 30/09/2023
Class E Sterling Distribution	03/01/2023	31/01/2023	£0.0192	102,731,311	£1,972,441	01/10/2022 – 31/12/2022
Class E Sterling Distribution	03/04/2023	28/04/2023	£0.0269	65,115,859	£1,751,617	01/01/2023 – 31/03/2023
Class E Sterling Distribution	03/07/2023	31/07/2023	£0.0266	62,944,860	£1,674,333	03/04/2023 – 30/06/2023
Class E Sterling Distribution	02/10/2023	31/10/2023	£0.0217	61,990,885	£1,345,202	01/07/2023 – 30/09/2023
Class I Euro Distribution	03/01/2023	31/01/2023	€0.0211	1,299,550	€27,421	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/04/2023	28/04/2023	€0.0299	1,151,384	€34,426	01/01/2023 – 31/03/2023
Class I Euro Distribution	03/07/2023	31/07/2023	€0.0303	1,042,964	€31,602	03/04/2023 – 30/06/2023
Class I Euro Distribution	02/10/2023	31/10/2023	€0.0243	1,027,831	€24,976	01/07/2023 – 30/09/2023
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0188	49,399,070	£928,703	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/04/2023	28/04/2023	£0.0263	47,453,604	£1,248,030	01/01/2023 – 31/03/2023
Class I Sterling Distribution	03/07/2023	31/07/2023	£0.0260	46,988,128	£1,221,691	03/04/2023 – 30/06/2023
Class I Sterling Distribution	02/10/2023	31/10/2023	£0.0211	45,687,117	£963,998	01/07/2023 – 30/09/2023
Class I US Dollar Distribution	03/01/2023	31/01/2023	\$0.0226	3,344,464	\$75,585	01/10/2022 – 31/12/2022
Class I US Dollar Distribution	03/04/2023	28/04/2023	\$0.0325	3,379,247	\$109,826	01/01/2023 – 31/03/2023
Class I US Dollar Distribution	03/07/2023	31/07/2023	\$0.0331	3,304,921	\$109,393	03/04/2023 – 30/06/2023
Class I US Dollar Distribution	02/10/2023	31/10/2023	\$0.0258	3,252,041	\$83,903	01/07/2023 – 30/09/2023
Class Portfolio Currency Hedged I Sterling Distribution	03/07/2023	31/07/2023	£0.0351	447,370	£15,703	03/04/2023 – 30/06/2023
Class Portfolio Currency Hedged I Sterling Distribution	02/10/2023	31/10/2023	£0.0287	449,094	£12,889	01/07/2023 – 30/09/2023
Class Portfolio Currency Hedged I Sterling Distribution	03/04/2023	28/04/2023	£0.0346	427,037	£14,775	01/01/2023 – 31/03/2023
Class Portfolio Currency Hedged I Sterling Distribution	03/01/2023	31/01/2023	£0.0145	281,275	£4,078	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/01/2023	31/01/2023	€0.0200	658,345	€13,167	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/04/2023	28/04/2023	€0.0284	659,443	€18,728	01/01/2023 – 31/03/2023
Class R Euro Distribution	03/07/2023	31/07/2023	€0.0286	567,828	€16,240	03/04/2023 – 30/06/2023
Class R Euro Distribution	02/10/2023	31/10/2023	€0.0229	548,706	€12,565	01/07/2023 – 30/09/2023
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.0177	2,668,559	£47,233	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/04/2023	28/04/2023	£0.0249	2,654,029	\$66,085	01/01/2023 – 31/03/2023
Class R Sterling Distribution	03/07/2023	31/07/2023	£0.0246	2,652,953	£65,263	03/04/2023 – 30/06/2023
Class R Sterling Distribution	02/10/2023	31/10/2023	£0.0199	2,614,027	£52,019	01/07/2023 – 30/09/2023
Class R US Dollar Distribution	03/01/2023	31/01/2023	\$0.0213	181,885	\$3,874	01/10/2022 – 31/12/2022
Class R US Dollar Distribution	03/04/2023	28/04/2023	\$0.0308	188,510	\$5,806	01/01/2023 – 31/03/2023
Class R US Dollar Distribution	03/07/2023	31/07/2023	\$0.0312	231,650	\$7,227	03/04/2023 – 30/06/2023
Class R US Dollar Distribution	02/10/2023	31/10/2023	\$0.0243	231,773	\$5,632	01/07/2023 – 30/09/2023



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 13. Distributions continued

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip</b>						
Class I Euro Distribution	03/01/2023	31/01/2023	€0.1492	13,171	€1,965	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.1324	386,638	£51,191	01/10/2022 – 31/12/2022
Class I US Dollar Distribution	03/01/2023	31/01/2023	\$0.1593	6,348	\$1,011	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.1339	73,344	£9,821	01/10/2022 – 31/12/2022
Class S Sterling Hedged Distribution	03/01/2023	31/01/2023	£0.1542	115,104	£17,749	01/10/2022 – 31/12/2022
Class S US Dollar Distribution	03/01/2023	31/01/2023	\$0.1610	54	\$9	01/10/2022 – 31/12/2022
Class SI Sterling Distribution	03/01/2023	31/01/2023	£0.1188	7,311,588	£868,617	01/10/2022 – 31/12/2022
Class SI US Dollar Distribution	03/01/2023	31/01/2023	\$0.1429	2,008,012	\$286,945	01/10/2022 – 31/12/2022

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Japan Value Fund</b>						
Class I Euro Distribution	03/04/2023	28/04/2023	€0.0006	1,038	€1	01/01/2023 – 31/03/2023
Class I Euro Hedged Distribution	03/04/2023	28/04/2023	€0.1221	100	€12	01/01/2023 – 31/03/2023
Class I Japanese Yen Distribution	03/04/2023	28/04/2023	¥0.0833	4,493,033	¥374,270	01/01/2023 – 31/03/2023
Class I Sterling Distribution	03/04/2023	28/04/2023	£0.0005	193,802	£97	01/01/2023 – 31/03/2023
Class I Sterling Hedged Distribution	03/04/2023	28/04/2023	£0.1281	3,851	£493	01/01/2023 – 31/03/2023
Class I Swiss Franc Hedged Distribution	03/04/2023	28/04/2023	Sfr. 0.1488	100	Sfr. 15	01/01/2023 – 31/03/2023
Class I US Dollar Distribution	03/04/2023	28/04/2023	\$0.0006	846	\$1	01/01/2023 – 31/03/2023
Class I US Dollar Hedged Distribution	03/04/2023	28/04/2023	\$0.1543	38,891	\$6,001	01/01/2023 – 31/03/2023
Class R Euro Distribution	03/04/2023	28/04/2023	€0.0185	105,955	€1,960	01/01/2023 – 31/03/2023
Class R Euro Hedged Distribution	03/04/2023	28/04/2023	€0.0217	1,940,172	€42,102	01/01/2023 – 31/03/2023
Class R Japanese Yen Distribution	03/04/2023	28/04/2023	¥2.6784	3,769,139	¥10,095,263	01/01/2023 – 31/03/2023
Class R Sterling Distribution	03/04/2023	28/04/2023	£0.0163	2,575	£42	01/01/2023 – 31/03/2023
Class R Sterling Hedged Distribution	03/04/2023	28/04/2023	£0.0237	1,064,772	£25,235	01/01/2023 – 31/03/2023
Class R Swiss Franc Hedged Distribution	03/04/2023	28/04/2023	Sfr. 0.1015	159,826	Sfr. 16,222	01/01/2023 – 31/03/2023
Class R US Dollar Distribution	03/04/2023	28/04/2023	\$0.0201	182,426	\$3,667	01/01/2023 – 31/03/2023
Class R US Dollar Hedged Distribution	03/04/2023	28/04/2023	\$0.0372	5,166,794	\$192,205	01/01/2023 – 31/03/2023
Class S Euro Distribution	03/04/2023	28/04/2023	€0.0339	164,902	€5,590	01/01/2023 – 31/03/2023
Class S Euro Hedged Distribution	03/04/2023	28/04/2023	€0.0414	932,389	€38,601	01/01/2023 – 31/03/2023
Class S Japanese Yen Distribution	03/04/2023	28/04/2023	¥4.9062	10,514,527	¥51,586,370	01/01/2023 – 31/03/2023
Class S Sterling Distribution	03/04/2023	28/04/2023	£0.0298	32,765,716	£976,418	01/01/2023 – 31/03/2023
Class S Sterling Hedged Distribution	03/04/2023	28/04/2023	£0.0366	5,049,752	£184,821	01/01/2023 – 31/03/2023
Class S Swiss Franc Hedged Distribution	03/04/2023	28/04/2023	Sfr. 0.1925	110,113	Sfr. 21,197	01/01/2023 – 31/03/2023
Class S US Dollar Distribution	03/04/2023	28/04/2023	\$0.0368	5,314,985	\$195,591	01/01/2023 – 31/03/2023
Class S US Dollar Hedged Distribution	03/04/2023	28/04/2023	\$0.0642	3,964,431	\$254,516	01/01/2023 – 31/03/2023



31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>UK Value Opportunities Fund</b>						
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.2939	8,574,650	£2,520,090	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.3121	56,063,674	£17,497,472	01/10/2022 – 31/12/2022

During the financial year ended 31 December 2022 the following Funds declared and paid distributions as follows:

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
Class I Sterling Distribution	04/01/2022	31/01/2022	£0.0269	348,244.34	£9,368	01/10/2021 – 31/12/2021
Class I Sterling Distribution	01/04/2022	29/04/2022	£0.0664	265,449.04	£17,626	01/01/2022 – 31/03/2022
Class I Sterling Distribution	01/07/2022	29/07/2022	£0.2404	267,308.38	£64,261	01/04/2022 – 30/06/2022
Class I Sterling Distribution	03/10/2022	28/10/2022	£0.0118	284,995.89	£3,363	01/07/2022 – 30/09/2022
Class S Sterling Distribution	04/01/2022	31/01/2022	£0.0270	3,114,544.16	£84,093	01/10/2021 – 31/12/2021
Class S Sterling Distribution	01/04/2022	29/04/2022	£0.0670	4,408,517.98	£295,371	01/01/2022 – 31/03/2022
Class S Sterling Distribution	01/07/2022	29/07/2022	£0.2423	2,956,673.80	£716,402	01/04/2022 – 30/06/2022
Class S Sterling Distribution	03/10/2022	28/10/2022	£0.0119	4,477,322.64	£53,280	01/07/2022 – 30/09/2022
Class I Sterling Hedged Distribution	04/01/2022	31/01/2022	£0.0324	18,598.20	£603	01/10/2021 – 31/12/2021
Class I Sterling Hedged Distribution	01/04/2022	29/04/2022	£0.0817	26,733.87	£2,184	01/01/2022 – 31/03/2022
Class I Sterling Hedged Distribution	01/07/2022	29/07/2022	£0.2931	37,530.35	£11,000	01/04/2022 – 30/06/2022
Class I Sterling Hedged Distribution	03/10/2022	28/10/2022	£0.0142	47,082.30	£669	01/07/2022 – 30/09/2022
Class S Sterling Hedged Distribution	04/01/2022	31/01/2022	£0.0325	64,200.29	£2,087	01/10/2021 – 31/12/2021
Class S Sterling Hedged Distribution	01/04/2022	29/04/2022	£0.0821	62,113.23	£5,099	01/01/2022 – 31/03/2022
Class S Sterling Hedged Distribution	01/07/2022	29/07/2022	£0.2943	55,813.55	£16,426	01/04/2022 – 30/06/2022
Class S Sterling Hedged Distribution	03/10/2022	28/10/2022	£0.0143	55,817.17	£798	01/07/2022 – 30/09/2022
Class X Sterling Distribution	04/01/2022	31/01/2022	£0.0301	4,853,942.31	£146,104	01/10/2021 – 31/12/2021
Class X Sterling Distribution	01/04/2022	29/04/2022	£0.0742	4,976,942.64	£369,289	01/01/2022 – 31/03/2022
Class X Sterling Distribution	01/07/2022	29/07/2022	£0.2679	4,786,943.45	£1,282,422	01/04/2022 – 30/06/2022
Class X Sterling Distribution	03/10/2022	28/10/2022	£0.0132	4,786,946.60	£63,188	01/07/2022 – 30/09/2022

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Opportunities Fund</b>						
Class R Sterling Distribution	04/01/2022	31/01/2022	£0.1112	6,549.91	£728	01/07/2021 – 31/12/2021
Class R Euro Distribution	04/01/2022	31/01/2022	€0.1324	1,162.77	€154	01/07/2021 – 31/12/2021
Class R US Dollar Distribution	01/07/2022	29/07/2022	\$0.1902	8.87	\$2	01/04/2022 – 30/06/2022
Class R Sterling Distribution	01/07/2022	29/07/2022	£0.1566	6,581.13	£1,031	01/04/2022 – 30/06/2022
Class R Euro Distribution	01/07/2022	29/07/2022	€0.1819	16,730.22	€3,043	01/04/2022 – 30/06/2022
Class I US Dollar Distribution	04/01/2022	31/01/2022	\$0.1579	525.90	\$83	01/07/2021 – 31/12/2021
Class I Sterling Distribution	04/01/2022	31/01/2022	£0.1166	307,115.12	£35,810	01/07/2021 – 31/12/2021
Class I Euro Distribution	04/01/2022	31/01/2022	€0.1388	118,199.19	€16,406	01/07/2021 – 31/12/2021
Class I US Dollar Distribution	01/07/2022	29/07/2022	\$0.2000	1,086.00	\$217	01/04/2022 – 30/06/2022
Class I Sterling Distribution	01/07/2022	29/07/2022	£0.1647	321,535.43	£52,957	01/04/2022 – 30/06/2022
Class I Euro Distribution	01/07/2022	29/07/2022	€0.1913	131,577.53	€25,171	01/04/2022 – 30/06/2022
Class S US Dollar Distribution	04/01/2022	31/01/2022	\$0.1442	551,152.46	\$79,476	01/07/2021 – 31/12/2021
Class S Sterling Distribution	04/01/2022	31/01/2022	£0.1064	68,053.31	£7,241	01/07/2021 – 31/12/2021
Class S US Dollar Distribution	01/07/2022	29/07/2022	\$0.1829	571,189.87	\$104,471	01/04/2022 – 30/06/2022
Class S Sterling Distribution	01/07/2022	29/07/2022	£0.1506	190,798.44	£28,734	01/04/2022 – 30/06/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
Class R US Dollar Distribution	04/01/2022	31/01/2022	\$0.1118	86,801.78	\$9,704	01/10/2021 – 31/12/2021
Class R Sterling Distribution	04/01/2022	31/01/2022	£0.0825	23,152.95	£1,910	01/10/2021 – 31/12/2021
Class R Euro Distribution	04/01/2022	31/01/2022	€0.0983	175,194.81	€17,222	01/10/2021 – 31/12/2021
Class R US Dollar Distribution	01/04/2022	29/04/2022	\$0.1097	81,124.62	\$8,899	01/01/2022 – 31/03/2022
Class R Sterling Distribution	01/04/2022	29/04/2022	£0.0833	17,751.48	£1,479	01/01/2022 – 31/03/2022
Class R Euro Distribution	01/04/2022	29/04/2022	€0.0986	144,905.31	€14,288	01/01/2022 – 31/03/2022
Class R US Dollar Distribution	01/07/2022	29/07/2022	\$0.1012	80,826.18	\$8,180	01/04/2022 – 30/06/2022
Class R Sterling Distribution	01/07/2022	29/07/2022	£0.0833	17,753.76	£1,479	01/04/2022 – 30/06/2022
Class R Euro Distribution	01/07/2022	29/07/2022	€0.0968	130,907.26	€12,672	01/04/2022 – 30/06/2022
Class R US Dollar Distribution	03/10/2022	28/10/2022	\$0.1053	12,837.57	\$1,352	01/07/2022 – 30/09/2022
Class R Sterling Distribution	03/10/2022	28/10/2022	£0.0943	16,256.21	£1,533	01/07/2022 – 30/09/2022
Class R Euro Distribution	03/10/2022	28/10/2022	€0.1075	74,809.30	€8,042	01/07/2022 – 30/09/2022
Class I US Dollar Distribution	04/01/2022	31/01/2022	\$0.1162	249,115.34	\$28,947	01/10/2021 – 31/12/2021
Class I Sterling Distribution	04/01/2022	31/01/2022	£0.0858	19,234,588.62	£1,650,328	01/10/2021 – 31/12/2021
Class I Euro Distribution	04/01/2022	31/01/2022	€0.1022	192,609.43	€19,685	01/10/2021 – 31/12/2021
Class I US Dollar Distribution	01/04/2022	29/04/2022	\$0.1143	247,465.76	\$28,285	01/01/2022 – 31/03/2022



31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
Class I Sterling Distribution	01/04/2022	29/04/2022	£0.0868	18,729,958.10	£1,625,760	01/01/2022 – 31/03/2022
Class I Euro Distribution	01/04/2022	29/04/2022	€0.1027	193,664.60	€19,889	01/01/2022 – 31/03/2022
Class I US Dollar Distribution	01/07/2022	29/07/2022	\$0.1055	232,675.34	\$24,547	01/04/2022 – 30/06/2022
Class I Sterling Distribution	01/07/2022	29/07/2022	£0.0869	16,037,592.70	£1,393,667	01/04/2022 – 30/06/2022
Class I Euro Distribution	01/07/2022	29/07/2022	€0.1009	193,664.60	€19,541	01/04/2022 – 30/06/2022
Class I US Dollar Distribution	03/10/2022	28/10/2022	\$0.1099	225,205.34	\$24,750	01/07/2022 – 30/09/2022
Class I Sterling Distribution	03/10/2022	28/10/2022	£0.0985	15,770,544.10	£1,553,399	01/07/2022 – 30/09/2022
Class I Euro Distribution	03/10/2022	28/10/2022	€0.1122	197,341.60	€22,142	01/07/2022 – 30/09/2022
Class S US Dollar Distribution	04/01/2022	31/01/2022	\$0.1052	413,002.35	\$43,448	01/10/2021 – 31/12/2021
Class S Sterling Distribution	04/01/2022	31/01/2022	£0.0777	34,763,756.96	£2,701,144	01/10/2021 – 31/12/2021
Class S Euro Distribution	04/01/2022	31/01/2022	€0.0925	66,621.53	€6,162	01/10/2021 – 31/12/2021
Class S US Dollar Distribution	01/04/2022	29/04/2022	\$0.1034	480,496.45	\$49,683	01/01/2022 – 31/03/2022
Class S Sterling Distribution	01/04/2022	29/04/2022	£0.0785	35,907,046.74	£2,818,703	01/01/2022 – 31/03/2022
Class S Euro Distribution	01/04/2022	29/04/2022	€0.0929	159,976.47	€14,862	01/01/2022 – 31/03/2022
Class S US Dollar Distribution	01/07/2022	29/07/2022	\$0.0956	494,891.63	\$47,312	01/04/2022 – 30/06/2022
Class S Sterling Distribution	01/07/2022	29/07/2022	£0.0787	38,405,323.90	£3,022,499	01/04/2022 – 30/06/2022
Class S Euro Distribution	01/07/2022	29/07/2022	€0.0914	160,521.45	€14,672	01/04/2022 – 30/06/2022
Class S US Dollar Distribution	03/10/2022	28/10/2022	\$0.0998	512,066.79	\$51,104	01/07/2022 – 30/09/2022
Class S Sterling Distribution	03/10/2022	28/10/2022	£0.0894	32,973,050.52	£2,947,791	01/07/2022 – 30/09/2022
Class S Euro Distribution	03/10/2022	28/10/2022	€0.1019	150,205.82	€15,306	01/07/2022 – 30/09/2022
Class I Sterling Hedged Distribution	04/01/2022	31/01/2022	£0.0948	3,002,723.40	£284,658	01/10/2021 – 31/12/2021
Class I Sterling Hedged Distribution	01/04/2022	29/04/2022	£0.0929	3,192,628.23	£296,595	01/01/2022 – 31/03/2022
Class I Sterling Hedged Distribution	01/07/2022	29/07/2022	£0.0858	2,690,364.80	£230,833	01/04/2022 – 30/06/2022
Class I Sterling Hedged Distribution	03/10/2022	28/10/2022	£0.0888	2,352,482.70	£208,900	01/07/2022 – 30/09/2022
Class S Sterling Hedged Distribution	04/01/2022	31/01/2022	£0.0969	181,663.24	£17,603	01/10/2021 – 31/12/2021
Class S Sterling Hedged Distribution	01/04/2022	29/04/2022	£0.0950	194,922.55	£18,518	01/01/2022 – 31/03/2022
Class S Sterling Hedged Distribution	01/07/2022	29/07/2022	£0.0876	230,884.45	£20,225	01/04/2022 – 30/06/2022
Class S Sterling Hedged Distribution	03/10/2022	28/10/2022	£0.0909	229,545.48	£20,866	01/07/2022 – 30/09/2022
Class Portfolio Currency Hedged Sterling I Distribution	04/01/2022	31/01/2022	£0.1093	4,604,352.93	£503,256	01/10/2021 – 31/12/2021
Class Portfolio Currency Hedged Sterling I Distribution	01/04/2022	29/04/2022	£0.1092	4,609,139.79	£503,318	01/01/2022 – 31/03/2022
Class Portfolio Currency Hedged Sterling I Distribution	01/07/2022	29/07/2022	£0.1021	4,656,848.47	£475,464	01/04/2022 – 30/06/2022
Class Portfolio Currency Hedged Sterling I Distribution	03/10/2022	28/10/2022	£0.1084	4,603,517.66	£499,021	01/07/2022 – 30/09/2022



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
Class Portfolio Currency Hedged Sterling S Distribution	04/01/2022	31/01/2022	£0.1103	7,320,175.35	£807,415	01/10/2021 – 31/12/2021
Class Portfolio Currency Hedged Sterling S Distribution	01/04/2022	29/04/2022	£0.1093	7,296,135.95	£797,468	01/01/2022 – 31/03/2022
Class Portfolio Currency Hedged Sterling S Distribution	01/07/2022	29/07/2022	£0.1034	5,197,747.89	£537,447	01/04/2022 – 30/06/2022
Class Portfolio Currency Hedged Sterling S Distribution	03/10/2022	28/10/2022	£0.1108	4,952,096.78	£548,692	01/07/2022 – 30/09/2022
Class SI Sterling S Distribution Shares	03/10/2022	28/10/2022	£0.0843	100.00	£8	01/07/2022 – 30/09/2022
Class Y Sterling S Distribution Shares	03/10/2022	28/10/2022	£0.0841	1,276,498.16	£107,353	01/07/2022 – 30/09/2022
Class Portfolio Currency Hedged Sterling Y Distribution Shares	03/10/2022	28/10/2022	£0.0972	12,567.42	£1,222	01/07/2022 – 30/09/2022
<b>Global Insurance Fund</b>						
Class R US Dollar Distribution	04/01/2022	31/01/2022	\$0.0211	174,032.77	\$3,672	01/10/2021 – 31/12/2021
Class R Sterling Distribution	04/01/2022	31/01/2022	£0.0156	3,171,434.77	£49,474	01/10/2021 – 31/12/2021
Class R Euro Distribution	04/01/2022	31/01/2022	€0.0186	326,725.10	€6,077	01/10/2021 – 31/12/2021
Class R US Dollar Distribution	01/04/2022	29/04/2022	\$0.0245	151,906.26	\$3,722	01/01/2022 – 31/03/2022
Class R Sterling Distribution	01/04/2022	29/04/2022	£0.0186	2,663,367.24	£49,539	01/01/2022 – 31/03/2022
Class R Euro Distribution	01/04/2022	29/04/2022	€0.0220	358,917.21	€7,896	01/01/2022 – 31/03/2022
Class R US Dollar Distribution	01/07/2022	29/07/2022	\$0.0425	151,208.88	\$6,426	01/04/2022 – 30/06/2022
Class R Sterling Distribution	01/07/2022	29/07/2022	£0.0350	2,666,725.26	£93,335	01/04/2022 – 30/06/2022
Class R Euro Distribution	01/07/2022	29/07/2022	€0.0406	455,191.18	€18,481	01/04/2022 – 30/06/2022
Class R US Dollar Distribution	03/10/2022	28/10/2022	\$0.0252	151,226.64	\$3,811	01/07/2022 – 30/09/2022
Class R Sterling Distribution	03/10/2022	28/10/2022	£0.0226	2,666,758.77	£60,269	01/07/2022 – 30/09/2022
Class R Euro Distribution	03/10/2022	28/10/2022	€0.0257	513,269.10	€13,191	01/07/2022 – 30/09/2022
Class I US Dollar Distribution	04/01/2022	31/01/2022	\$0.0223	2,891,211.96	\$64,474	01/10/2021 – 31/12/2021
Class I Sterling Distribution	04/01/2022	31/01/2022	£0.0164	39,634,629.71	£650,008	01/10/2021 – 31/12/2021
Class I Euro Distribution	04/01/2022	31/01/2022	€0.0196	1,531,179.35	€30,011	01/10/2021 – 31/12/2021
Class I US Dollar Distribution	01/04/2022	29/04/2022	\$0.0259	3,000,503.06	\$77,713	01/01/2022 – 31/03/2022
Class I Sterling Distribution	01/04/2022	29/04/2022	£0.0197	42,239,946.26	£832,127	01/01/2022 – 31/03/2022
Class I Euro Distribution	01/04/2022	29/04/2022	€0.0233	594,129.97	€13,843	01/01/2022 – 31/03/2022
Class I US Dollar Distribution	01/07/2022	29/07/2022	\$0.0448	3,315,177.13	\$148,520	01/04/2022 – 30/06/2022
Class I Sterling Distribution	01/07/2022	29/07/2022	£0.0369	48,931,392.80	£1,805,568	01/04/2022 – 30/06/2022



31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b> continued						
Class I Euro Distribution	01/07/2022	29/07/2022	€0.0428	593,378.79	€25,397	01/04/2022 – 30/06/2022
Class I US Dollar Distribution	03/10/2022	28/10/2022	\$0.0266	3,234,252.99	\$86,031	01/07/2022 – 30/09/2022
Class I Sterling Distribution	03/10/2022	28/10/2022	£0.0238	51,433,472.97	£1,224,117	01/07/2022 – 30/09/2022
Class I Euro Distribution	03/10/2022	28/10/2022	€0.0271	1,143,036.80	€30,976	01/07/2022 – 30/09/2022
Class A Sterling Distribution	04/01/2022	31/01/2022	£0.0159	201,480.59	£3,204	01/10/2021 – 31/12/2021
Class A Sterling Distribution	01/04/2022	29/04/2022	£0.0189	201,544.04	£3,809	01/01/2022 – 31/03/2022
Class A Sterling Distribution	01/07/2022	29/07/2022	£0.0357	191,685.37	£6,843	01/04/2022 – 30/06/2022
Class A Sterling Distribution	03/10/2022	28/10/2022	£0.0231	191,300.35	£4,419	01/07/2022 – 30/09/2022
Class E Sterling Distribution	04/01/2022	31/01/2022	£0.0168	96,533,212.78	£1,621,758	01/10/2021 – 31/12/2021
Class E Sterling Distribution	01/04/2022	29/04/2022	£0.0201	99,643,061.74	£2,002,826	01/01/2022 – 31/03/2022
Class E Sterling Distribution	01/07/2022	29/07/2022	£0.0377	102,238,994.69	£3,854,410	01/04/2022 – 30/06/2022
Class E Sterling Distribution	03/10/2022	28/10/2022	£0.0244	102,569,158.24	£2,502,687	01/07/2022 – 30/09/2022
31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip Fund</b>						
Class I US Dollar Distribution	04/01/2022	31/01/2022	\$0.1342	4,614.60	\$619	01/10/2021 – 31/12/2021
Class I Sterling Distribution	04/01/2022	31/01/2022	£0.0991	242,096.64	£23,992	01/10/2021 – 31/12/2021
Class I Euro Distribution	04/01/2022	31/01/2022	€0.1180	5,801.21	€685	01/10/2021 – 31/12/2021
Class S US Dollar Distribution	04/01/2022	31/01/2022	\$0.1354	53.19	\$7	01/10/2021 – 31/12/2021
Class S Sterling Distribution	04/01/2022	31/01/2022	£0.1000	53,518.84	£5,352	01/10/2021 – 31/12/2021
Class SI US Dollar Distribution	04/01/2022	31/01/2022	\$0.1199	4,423.33	\$530	01/10/2021 – 31/12/2021
Class SI Sterling Distribution	04/01/2022	31/01/2022	£0.0885	4,983,528.16	£441,042	01/10/2021 – 31/12/2021
Class S Sterling Hedged Distribution	04/01/2022	31/01/2022	£0.1307	102.71	£13	01/10/2021 – 31/12/2021
31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
Class A1 Sterling Distribution	04/01/2022	31/01/2022	£0.0156	3,541,056.74	£55,240	01/10/2021 – 31/12/2021
Class R US Dollar Distribution	04/01/2022	31/01/2022	\$0.0211	757,003.19	\$15,973	01/10/2021 – 31/12/2021
Class R Euro Distribution	04/01/2022	31/01/2022	€0.0186	62,319.17	€1,159	01/10/2021 – 31/12/2021
Class A1 Sterling Distribution	01/04/2022	29/04/2022	£0.0156	3,465,024.37	£54,054	01/01/2022 – 31/03/2022
Class R US Dollar Distribution	01/04/2022	29/04/2022	\$0.0205	702,600.62	\$14,403	01/01/2022 – 31/03/2022
Class R Euro Distribution	01/04/2022	29/04/2022	€0.0185	69,009.54	€1,277	01/01/2022 – 31/03/2022
Class A1 Sterling Distribution	01/07/2022	29/07/2022	£0.0158	3,245,828.47	£51,284	01/04/2022 – 30/06/2022
Class R US Dollar Distribution	01/07/2022	29/07/2022	\$0.0192	702,630.80	\$13,491	01/04/2022 – 30/06/2022
Class R Euro Distribution	01/07/2022	29/07/2022	€0.0184	69,017.94	€1,270	01/04/2022 – 30/06/2022



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b> continued						
Class A1 Sterling Distribution	03/10/2022	28/10/2022	£0.0158	3,138,411.85	£49,587	01/07/2022 – 30/09/2022
Class R US Dollar Distribution	03/10/2022	28/10/2022	\$0.0176	701,399.42	\$12,345	01/07/2022 – 30/09/2022
Class R Euro Distribution	03/10/2022	28/10/2022	€0.0180	69,026.69	€1,242	01/07/2022 – 30/09/2022
Class B1 Sterling Distribution	04/01/2022	31/01/2022	£0.0168	4,839,746.24	£81,066	01/10/2021 – 31/12/2021
Class I US Dollar Distribution	04/01/2022	31/01/2022	\$0.0227	309,822.85	\$7,033	01/10/2021 – 31/12/2021
Class I Euro Distribution	04/01/2022	31/01/2022	€0.0199	746.14	€15	01/10/2021 – 31/12/2021
Class B1 Sterling Distribution	01/04/2022	29/04/2022	£0.0168	4,812,311.29	£80,606	01/01/2022 – 31/03/2022
Class I US Dollar Distribution	01/04/2022	29/04/2022	\$0.0221	309,830.07	\$6,847	01/01/2022 – 31/03/2022
Class I Euro Distribution	01/04/2022	29/04/2022	€0.0198	754.02	€15	01/01/2022 – 31/03/2022
Class B1 Sterling Distribution	01/07/2022	29/07/2022	£0.0170	4,875,613.20	£82,642	01/04/2022 – 30/06/2022
Class I US Dollar Distribution	01/07/2022	29/07/2022	\$0.0206	250,620.79	\$5,163	01/04/2022 – 30/06/2022
Class I Euro Distribution	01/07/2022	29/07/2022	€0.0197	762.13	€15	01/04/2022 – 30/06/2022
Class B1 Sterling Distribution	03/10/2022	28/10/2022	£0.0170	4,865,742.19	£82,474	01/07/2022 – 30/09/2022
Class I US Dollar Distribution	03/10/2022	28/10/2022	\$0.0189	250,628.61	\$4,737	01/07/2022 – 30/09/2022
Class I Euro Distribution	03/10/2022	28/10/2022	€0.0193	770.58	€15	01/07/2022 – 30/09/2022
Class R Euro Hedged Distribution	04/01/2022	31/01/2022	€0.1335	95,313.80	€12,724	01/10/2021 – 31/12/2021
Class R Euro Hedged Distribution	01/04/2022	29/04/2022	€0.1335	95,315.21	€12,725	01/01/2022 – 31/03/2022
Class R Euro Hedged Distribution	01/07/2022	29/07/2022	€0.1355	95,316.65	€12,915	01/04/2022 – 30/06/2022
Class R Euro Hedged Distribution	03/10/2022	28/10/2022	€0.1355	95,318.20	€12,916	01/07/2022 – 30/09/2022
Class I Euro Hedged Distribution	04/01/2022	31/01/2022	€0.1335	928.39	€124	01/10/2021 – 31/12/2021
Class I Euro Hedged Distribution	01/04/2022	29/04/2022	£0.1335	929.75	€124	01/01/2022 – 31/03/2022
Class I Euro Hedged Distribution	01/07/2022	29/07/2022	€0.1355	931.15	€126	01/04/2022 – 30/06/2022
Class I Euro Hedged Distribution	03/10/2022	28/10/2022	€0.1355	932.65	€126	01/07/2022 – 30/09/2022
Class R US Dollar Hedged Distribution	04/01/2022	31/01/2022	\$0.1215	508,047.51	\$61,728	01/10/2021 – 31/12/2021
Class R US Dollar Hedged Distribution	01/04/2022	29/04/2022	\$0.1215	406,898.80	\$49,438	01/01/2022 – 31/03/2022
Class R US Dollar Hedged Distribution	01/07/2022	29/07/2022	\$0.1235	330,150.12	\$40,774	01/04/2022 – 30/06/2022
Class R US Dollar Hedged Distribution	03/10/2022	28/10/2022	\$0.1235	320,405.54	\$39,570	01/07/2022 – 30/09/2022
<b>UK Value Opportunities Fund</b>						
Class I Sterling Distribution	04/01/2022	31/01/2022	£0.2075	11,964,975.33	£2,482,732	01/10/2021 – 31/12/2021
Class S Sterling Distribution	04/01/2021	29/01/2021	£0.2242	72,873,226.57	£16,338,177	01/01/2020 – 31/12/2020



The following distributions were declared in respect of the Company on 3 January 2024 and are therefore not accrued in the financial statements for the financial year ended 31 December 2023:

31 December 2023	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Japan Value Fund</b>						
Class I Euro Distribution	04/01/2024	31/01/2024	€0.0138	1,039	€14	01/10/2023 – 31/12/2023
Class I Euro Hedged Distribution	04/01/2024	31/01/2024	€0.1486	101	€15	01/10/2023 – 31/12/2023
Class I Japanese Yen Distribution	04/01/2024	31/01/2024	¥2.1632	2,410,833	¥5,215,114	01/10/2023 – 31/12/2023
Class I Sterling Distribution	04/01/2024	31/01/2024	£0.0120	228,691	£2,744	01/10/2023 – 31/12/2023
Class I Sterling Hedged Distribution	04/01/2024	31/01/2024	£0.1545	1,997	£309	01/10/2023 – 31/12/2023
Class I Swiss Franc Hedged Distribution	04/01/2024	31/01/2024	Sfr. 0.1590	1,501	Sfr. 239	01/10/2023 – 31/12/2023
Class I US Dollar Distribution	04/01/2024	31/01/2024	\$0.0153	847	\$13	01/10/2023 – 31/12/2023
Class I US Dollar Hedged Distribution	04/01/2024	31/01/2024	\$0.1699	46,495	\$7,900	01/10/2023 – 31/12/2023
Class R Euro Distribution	04/01/2024	31/01/2024	€0.0194	103,219	€2,002	01/10/2023 – 31/12/2023
Class R Euro Hedged Distribution	04/01/2024	31/01/2024	€0.0254	1,839,628	€46,727	01/10/2023 – 31/12/2023
Class R Japanese Yen Distribution	04/01/2024	31/01/2024	¥3.0295	3,216,830	¥9,745,387	01/10/2023 – 31/12/2023
Class R Sterling Distribution	04/01/2024	31/01/2024	£0.0168	5,517	\$93	01/10/2023 – 31/12/2023
Class R Sterling Hedged Distribution	04/01/2024	31/01/2024	£0.0200	837,658	£16,753	01/10/2023 – 31/12/2023
Class R Swiss Franc Hedged Distribution	04/01/2024	31/01/2024	Sfr. 0.1123	125,713	Sfr. 14,118	01/10/2023 – 31/12/2023
Class R US Dollar Distribution	04/01/2024	31/01/2024	\$0.0214	142,553	\$3,051	01/10/2023 – 31/12/2023
Class R US Dollar Hedged Distribution	04/01/2024	31/01/2024	\$0.0377	4,967,946	\$187,292	01/10/2023 – 31/12/2023
Class S Euro Distribution	04/01/2024	31/01/2024	€0.0375	273,778	€10,267	01/10/2023 – 31/12/2023
Class S Euro Hedged Distribution	04/01/2024	31/01/2024	€0.0496	865,007	€42,904	01/10/2023 – 31/12/2023
Class S Japanese Yen Distribution	04/01/2024	31/01/2024	¥5.8703	26,259,022	¥154,148,336	01/10/2023 – 31/12/2023
Class S Sterling Distribution	04/01/2024	31/01/2024	£0.0326	28,279,285	£921,905	01/10/2023 – 31/12/2023
Class S Sterling Hedged Distribution	04/01/2024	31/01/2024	£0.0415	4,284,830	£177,820	01/10/2023 – 31/12/2023
Class S Swiss Franc Hedged Distribution	04/01/2024	31/01/2024	Sfr. 0.2135	103,026	Sfr. 21,996	01/10/2023 – 31/12/2023
Class S US Dollar Distribution	04/01/2024	31/01/2024	\$0.0415	5,470,096	\$227,009	01/10/2023 – 31/12/2023
Class S US Dollar Hedged Distribution	04/01/2024	31/01/2024	\$0.0760	3,393,945	\$257,940	01/10/2023 – 31/12/2023

#### 14. FCA Side Letter Policy

The Financial Conduct Authority (FCA) in the United Kingdom, which regulates Polar Capital LLP, expects all investment managers authorised and regulated by the FCA to write to investors in the funds managed by them with details of any Side Letter that may have been entered into by it. The FCA considers a Side Letter to be an arrangement which can reasonably be expected to provide an investor with materially more favourable rights than other investors, such as enhanced redemption rights or the provision of portfolio information which are not generally available. Polar Capital LLP has confirmed to the Company that it is not aware or party to an arrangement whereby an investor has any preferential redemption terms. However in exceptional circumstances, for example where an investor seeds a new Fund, the Polar Capital LLP has provided investors on the Fund's behalf with portfolio information and capacity commitments.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 15. Transaction Costs

During the financial year ended 31 December 2023 and 31 December 2022, the Funds incurred transaction costs in the purchase and sale of investments as follows:

	Currency	31 December 2023	31 December 2022
Artificial Intelligence Fund	US\$	357,578	346,600
Asian Stars Fund	US\$	387,569	235,118
Biotechnology Fund	US\$	1,679,583	1,470,748
China Stars Fund	US\$	53,599	50,343
Emerging Market ex-China Stars Fund	US\$	1,365	–
Emerging Market Stars Fund	US\$	1,929,696	1,781,622
European ex UK Income Fund	EUR	417,089	102,695
Financial Credit Fund	GBP	34,709	31,558
Financial Opportunities Fund	US\$	37,297	49,287
Global Absolute Return Fund	US\$	–	90
Global Convertible Fund	US\$	–	591
Global Insurance Fund	GBP	393,048	514,895
Global Technology Fund	US\$	4,247,866	5,042,707
Healthcare Blue Chip Fund	US\$	514,489	221,740
Healthcare Discovery Fund	US\$	26,350	24,905
Healthcare Opportunities Fund	US\$	2,142,920	1,277,820
Japan Value Fund	JPY	16,494,849	12,654,892
North American Fund	US\$	327,879	359,553
Smart Energy Fund	US\$	306,123	163,659
Smart Mobility Fund	US\$	14,511	18,268
UK Value Opportunities Fund	GBP	2,459,394	2,948,127

For further information regarding the accounting policy for transaction costs please refer to Note 2.



## 16. Reconciliation to US GAAP

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2024, as required by US GAAP. The adjustments relate to the below funds. The effects of the adjustments for the remaining Funds are not material in the context of the financial statements

	<b>Artificial Intelligence Fund 2023 US\$</b>	<b>Asian Stars Fund 2023 US\$</b>	<b>Biotechnology Fund 2023 US\$</b>	<b>China Stars Fund 2023 US\$</b>
Net Assets at 31 December 2023, under IFRS	448,004,407	245,727,667	1,605,462,642	11,785,586
Redemptions payable 1 January 2024	(490,656)	(532,885)	(243,824)	–
Net Assets at 31 December 2023, under US GAAP	447,513,751	245,194,782	1,605,218,818	11,785,586

	<b>Emerging Market Ex-China Stars Fund 2023 US\$</b>	<b>Emerging Market Stars Fund 2023 US\$</b>	<b>European ex UK Income Fund 2023 EUR</b>	<b>Financial Credit Fund 2023 GBP</b>
Net Assets at 31 December 2023, under IFRS	1,081,338	1,479,707,996	292,866,211	25,398,012
Redemptions payable 1 January 2024	–	(725,170)	(90,395)	–
Net Assets at 31 December 2023, under US GAAP	1,081,338	1,478,982,826	292,775,816	25,398,012

	<b>Financial Opportunities Fund 2023 US\$</b>	<b>Global Absolute Return Fund 2023 US\$</b>	<b>Global Convertible Fund 2023 US\$</b>	<b>Global Insurance Fund 2023 GBP</b>
Net Assets at 31 December 2023, under IFRS	13,786,343	83,525,681	512,228,789	2,001,764,081
Redemptions payable 1 January 2024	(2)	(55,228)	–	(18,416,629)
Net Assets at 31 December 2023, under US GAAP	13,786,341	83,470,453	512,228,789	1,983,347,452



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 16. Reconciliation to US GAAP continued

	Global Technology Fund 2023 US\$	Healthcare Blue Chip Fund 2023 US\$	Healthcare Discovery Fund 2023 US\$	Healthcare Opportunities Fund 2023 US\$
Net Assets at 31 December 2023, under IFRS	5,579,941,559	253,612,691	8,642,326	1,636,926,508
Redemptions payable 1 January 2024	(3,307,419)	(43,373)	(2,268)	(439,653)
Net Assets at 31 December 2023, under US GAAP	5,576,634,140	253,569,318	8,640,058	1,636,486,855

	Japan Value Fund 2023 JPY ¥	North American Fund 2023 US\$	Smart Energy Fund 2023 US\$	Smart Mobility Fund 2023 US\$
Net Assets at 31 December 2023, under IFRS	35,830,194,970	779,315,417	296,341,314	10,079,554
Redemptions payable 1 January 2024	(15,423)	(4,221,093)	–	(1,019)
Net Assets at 31 December 2023, under US GAAP	35,830,179,547	775,094,324	296,341,314	10,078,535

	UK Value Opportunities Fund 2023 GBP£
Net Assets at 31 December 2023, under IFRS	775,957,805
Redemptions payable 1 January 2024	(330,760)
Net Assets at 31 December 2023, under US GAAP	775,627,045

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2023, as required by US GAAP. The adjustments relate to the below funds. The effects of the adjustments for the remaining Funds are not material in the context of the financial statements.

	Asian Stars Fund 2022 US\$	Automation & Artificial Intelligence Fund 2022 US\$	Biotechnology Fund 2022 US\$	China Stars Fund 2022 US\$
Net Assets at 31 December 2022, under IFRS	137,377,047	367,710,642	1,589,799,566	18,159,895
Redemptions payable 1 January 2023	(216,447)	(66,962)	(722,203)	(12,238)
Net Assets at 31 December 2022, under US GAAP	137,160,600	367,643,680	1,589,077,363	18,147,657



	<b>Emerging Market Stars Fund 2022 US\$</b>	<b>European ex UK Income Fund 2022 EUR€</b>	<b>Financial Opportunities Fund 2022 US\$</b>	<b>Global Absolute Return Fund 2022 US\$</b>
Net Assets at 31 December 2022, under IFRS	1,059,532,315	119,901,361	18,980,895	108,734,576
Redemptions payable 1 January 2023	(244,356)	(68,831)	–	–
Net Assets at 31 December 2022, under US GAAP	1,059,287,959	119,832,530	18,980,895	108,734,576

	<b>Global Convertible Fund 2022 US\$</b>	<b>Global Insurance Fund 2022 GBP£</b>	<b>Global Technology Fund 2022 US\$</b>	<b>Healthcare Blue Chip Fund 2022 US\$</b>
Net Assets at 31 December 2022, under IFRS	747,916,347	2,516,683,415	4,085,694,842	207,414,642
Redemptions payable 1 January 2023	(92,632)	(48,474)	(546,511)	(20,053)
Net Assets at 31 December 2022, under US GAAP	747,823,715	2,516,634,941	4,085,148,331	207,394,589

	<b>Healthcare Discovery Fund 2022 US\$</b>	<b>Healthcare Opportunities Fund 2022 US\$</b>	<b>Income Opportunities Fund 2022 GBP£</b>	<b>Japan Value Fund 2022 JPY ¥</b>
Net Assets at 31 December 2022, under IFRS	39,028,618	1,687,676,380	49,787,953	24,898,667,143
Redemptions payable 1 January 2023	(10,026)	(341,845)	(6)	(797,669)
Net Assets at 31 December 2022, under US GAAP	39,018,592	1,687,334,535	49,787,947	24,897,869,474

	<b>North American Fund 2022 US\$</b>	<b>Smart Energy Fund 2022 GBP£</b>	<b>Smart Mobility Fund 2022 GBP£</b>	<b>UK Value Opportunities Fund 2022 GBP£</b>
Net Assets at 31 December 2022, under IFRS	817,949,166	127,913,298	10,374,733	1,004,876,929
Redemptions payable 1 January 2023	(108,964)	(50,739.19)	-	(162,007)
Net Assets at 31 December 2022, under US GAAP	817,840,202	127,862,559	10,374,733	1,004,714,922

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 16. Reconciliation to US GAAP continued

The following summarises the Company's financial highlights for the financial year ended 31 December 2023. The classes of each Fund below have been selected as a representative of the performance of the Funds for the purposes of the Financial Highlights.

#### Financial Highlights

For the financial year ended 31 December 2023

	31 December 2023			
	Artificial Intelligence Fund Class I USD Accumulation US\$	Asian Stars Fund Class I USD Accumulation US\$	Biotechnology Fund Class I USD Distribution US\$	China Stars Fund Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2023				
Net investment gain*	–	–	(0.02)	–
Net realised and unrealised gain	5.23	1.15	6.08	(1.92)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase in net asset value	5.23	1.15	6.06	(1.92)
Net asset value at beginning of financial year	13.84	13.80	38.17	11.25
Net asset value at end of financial year	19.07	14.95	44.23	9.33
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	37.79%	8.33%	16.92%	(17.07)%
Performance fee	–	0.00%	(1.04)%	–
Total return after performance fee	37.79%	8.33%	15.88%	(17.07)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.13)%	(1.21)%	(0.91)%	(0.21)%
Performance fee	–	–	(1.04)%	–
Total expenses	(1.13)%	(1.21)%	(1.95)%	(0.21)%
<b>Net investment loss to average net assets:</b>				
Net investment income before performance fee	0.04%	0.24%	(0.60)%	0.08%
Performance fee	–	–	(1.04)%	–
Total net investment income	0.04%	0.24%	(1.64)%	0.08%

\* Average net assets held during the financial year were used for this calculation.



	31 December 2023			
	Emerging Market ex-China Stars Fund Class I USD Accumulation US\$	Emerging Market Stars Fund Class I USD Accumulation US\$	European ex UK Income Fund Class I USD Distribution US\$	Financial Credit Fund Class B2 Sterling Accumulation GBP
For a participating share outstanding throughout the financial year ended 31 December 2023				
Net investment gain*	(0.01)	0.01	0.04	0.06
Net realised and unrealised gain	10.67	1.33	1.78	0.14
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase in net asset value	10.66	1.34	1.82	0.20
Net asset value at beginning of financial year	–	10.82	13.87	2.98
Net asset value at end of financial year	10.66	12.16	15.69	3.18
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	–	12.38%	13.12%	6.58%
Performance fee	–	–	–	–
Total return after performance fee	–	12.38%	13.12%	6.58%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.41)%	(1.51)%	(1.34)%	(0.82)%
Performance fee	–	–	–	–
Total expenses	(1.41)%	(1.51)%	(1.34)%	(0.82)%
<b>Net investment loss to average net assets:</b>				
Net investment income before performance fee	(0.78)%	0.71%	3.85%	6.42%
Performance fee	–	–	–	–
Total net investment income	(0.78)%	0.71%	3.85%	6.42%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2023 continued

	31 December 2023			
	Financial Opportunities Fund Class I USD Accumulation US\$	Global Absolute Return Fund Class I USD Accumulation US\$	Global Convertible Fund Class I USD Accumulation US\$	Global Insurance Fund Class I USD Accumulation US\$
For a participating share outstanding throughout the financial year ended 31 December 2023				
Net investment gain*	0.02	0.06	0.07	0.01
Net realised and unrealised gain	1.63	5.47	0.93	0.13
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase in net asset value	1.65	5.53	1.00	0.14
Net asset value at beginning of financial year	15.30	131.06	13.48	10.27
Net asset value at end of financial year	16.95	136.59	14.48	10.41
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	10.78%	5.05%	7.42%	1.39%
Performance fee	–	(0.83)%	–	–
Total return after performance fee	10.78%	4.22%	7.42%	1.39%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(2.61)%	(0.90)%	(2.46)%	(1.09)%
Performance fee	–	(0.83)%	–	–
Total expenses	(2.61)%	(1.73)%	(2.46)%	(1.09)%
<b>Net investment loss to average net assets:</b>				
Net investment income before performance fee	1.77%	7.11%	7.24%	0.61%
Performance fee	–	(0.83)%	–	–
Total net investment income	1.77%	6.28%	7.24%	0.61%

\* Average net assets held during the financial year were used for this calculation.



	31 December 2023			
	Global Technology Fund Class I USD Distribution US\$	Blue Chip Fund Class I USD Accumulation US\$	Discovery Fund Class I USD Accumulation US\$	Opportunities Fund Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2023				
Net investment gain*	(0.01)	–	(0.01)	(0.01)
Net realised and unrealised gain	31.53	1.13	0.93	6.52
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase in net asset value	31.52	1.13	0.92	6.51
Net asset value at beginning of financial year	58.51	18.48	11.79	64.48
Net asset value at end of financial year	90.03	19.61	12.71	70.99
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	53.87%	6.12%	8.04%	10.10%
Performance fee	–	–	(0.23)%	–
Total return after performance fee	53.87%	6.12%	7.81%	10.10%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.31)%	(0.68)%	(1.29)%	(1.03)%
Performance fee	–	–	(0.23)%	–
Total expenses	(1.31)%	(0.68)%	(1.51)%	(1.03)%
<b>Net investment loss to average net assets:</b>				
Net investment income before performance fee	(0.60)%	(0.01)%	(1.08)%	(0.70)%
Performance fee	–	–	(0.23)%	–
Total net investment income	(0.60)%	(0.01)%	(1.30)%	(0.70)%

\* Average net assets held during the financial year were used for this calculation.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

For the financial year ended 31 December 2023 continued

	31 December 2023			
	Japan Value Fund Class S JPY Accumulation JPY	North American Fund Class I USD Distribution US\$	Smart Energy Fund Class I USD Distribution GBP	Smart Mobility Fund Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2023				
Net investment gain*	0.03	–	–	(0.01)
Net realised and unrealised gain	82.13	7.32	1.57	1.18
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase in net asset value	82.16	7.32	1.57	1.17
Net asset value at beginning of financial year	305.64	31.76	8.48	7.93
Net asset value at end of financial year	387.80	39.08	10.05	9.10
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	26.88%	23.05%	18.51%	14.75%
Performance fee	–	–	–	–
Total return after performance fee	26.88%	23.05%	18.51%	14.75%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.69)%	(1.02)%	(0.88)%	(1.23)%
Performance fee	–	–	–	–
Total expenses	(1.69)%	(1.02)%	(0.88)%	(1.23)%
<b>Net investment loss to average net assets:</b>				
Net investment income before performance fee	2.58%	0.18%	(0.16)%	(0.50)%
Performance fee	–	–	–	–
Total net investment income	2.58%	0.18%	(0.16)%	(0.50)%

\* Average net assets held during the financial year were used for this calculation.



31 December 2023

UK Value  
Opportunities  
Fund  
Class I Sterling  
Accumulation  
GBP

For a participating share outstanding throughout  
the financial year ended 31 December 2023

Net investment gain*	0.03
Net realised and unrealised gain	1.14
Distributions	–
Less Redemptions	–
Net increase in net asset value	1.17
Net asset value at beginning of financial year	11.99
Net asset value at end of financial year	13.16

**Ratios** %

**Total return:**

Total return before performance fee	9.76%
Performance fee	–
Total return after performance fee	9.76%

**Ratios to average net assets:**

Expenses to average net assets	(1.12)%
Performance fee	–
Total expenses	(1.12)%

**Net investment loss to average net assets:**

Net investment income before performance fee	3.23%
Performance fee	–
Total net investment income/loss	3.23%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2022

	31 December 2022			
	Asian Stars Fund Class I USD Accumulation US\$	Automation & Artificial Intelligence Fund Class I USD Accumulation US\$	Biotechnology Fund Class I USD Distribution US\$	China Stars Fund Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment (loss)/gain*	–	–	(0.01)	0.01
Net realised and unrealised loss	(4.99)	(6.96)	(2.93)	(2.72)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net decrease in net asset value	(4.99)	(6.96)	(2.94)	(2.71)
Net asset value at beginning of financial year	18.79	20.80	41.11	13.96
Net asset value at end of financial year	13.80	13.84	38.17	11.25
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(26.56%)	(33.46)%	(6.75)%	(19.07)%
Performance fee	–	–	(0.40)%	(0.34)%
Total return after performance fee	(26.56%)	(33.46)%	(7.15)%	(19.41)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(0.97)%	(1.30)%	(1.13)%	(1.76)%
Performance fee	–	–	(0.40)%	(0.34)%
Total expenses	(0.97)%	(1.30)%	(1.53)%	(2.10)%
<b>Net investment loss to average net assets:</b>				
Net investment income/(loss) before performance fee	0.09%	0.08%	(0.94)%	1.41%
Performance fee	–	–	(0.40)%	(0.34)%
Total net investment income/(loss)	0.09%	0.08%	(1.34)%	1.07%

\* Average net assets held during the financial year were used for this calculation.



	31 December 2022			
	Emerging Market Stars Fund Class I USD Accumulation US\$	European ex UK Income Fund Class I USD Distribution US\$	Financial Opportunities Fund Class I USD Accumulation US\$	Global Absolute Return Fund Class I USD Accumulation US\$
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment gain*	–	0.03	0.01	0.07
Net realised and unrealised (loss)/gain	(4.23)	0.18	(2.30)	0.20
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(4.23)	0.21	(2.29)	0.27
Net asset value at beginning of financial year	15.05	13.66	17.59	130.79
Net asset value at end of financial year	10.82	13.87	15.30	131.06
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(28.11)%	1.54%	(13.02)%	0.25%
Performance fee	–	–	–	(0.04)%
Total return after performance fee	(28.11)%	1.54%	(13.02)%	0.21%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(0.67)%	(1.51)%	(2.19)%	(1.76)%
Performance fee	–	–	–	–
Total expenses	(0.67)%	(1.51)%	(2.19)%	(1.76)%
<b>Net investment loss to average net assets:</b>				
Net investment income before performance fee	0.13%	3.43%	1.07%	7.04%
Performance fee	–	–	–	(0.04)%
Total net investment income	0.13%	3.43%	1.07%	7.00%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2022 continued

	31 December 2022			
	Global Convertible Fund Class I USD Accumulation US\$	Global Insurance Fund Class I USD Accumulation US\$	Global Technology Fund Class I USD Distribution US\$	Healthcare Blue Chip Fund Class I USD Accumulation US\$
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment gain/(loss)*	0.03	–	(0.01)	–
Net realised and unrealised (loss)/gain	(2.65)	2.00	(37.93)	(1.14)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(2.62)	2.00	(37.94)	(1.14)
Net asset value at beginning of financial year	16.10	8.27	96.45	19.62
Net asset value at end of financial year	13.48	10.27	58.51	18.48
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(16.27)%	24.33%	(39.34)%	(5.80)%
Performance fee	–	(0.13)%	–	–
Total return after performance fee	(16.27)%	24.20%	(39.34)%	(5.80)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.28)%	(1.07)%	(1.35)%	(1.87)%
Performance fee	–	(0.13)%	–	–
Total expenses	(1.28)%	(1.20)%	(1.35)%	(1.87)%
<b>Net investment loss to average net assets:</b>				
Net investment income/(loss) before performance fee	3.22%	0.57%	(0.75)%	(0.14)%
Performance fee	–	(0.13)%	–	–
Total net investment income/loss	3.22%	0.44%	(0.75)%	(0.14)%

\* Average net assets held during the financial year were used for this calculation.



	31 December 2022			
	Healthcare Discovery Fund Class I USD Accumulation US\$	Healthcare Opportunities Fund Class I USD Distribution US\$	Income Opportunities Fund Class B2 Sterling Accumulation GBP	Japan Value Fund Class S JPY Accumulation JPY
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment (loss)/gain*	(0.02)	–	0.04	0.02
Net realised and unrealised (loss)/gain	(3.66)	(5.91)	0.09	30.17
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(3.68)	(5.91)	0.13	30.19
Net asset value at beginning of financial year	15.47	70.39	2.85	275.45
Net asset value at end of financial year	11.79	64.48	2.98	305.64
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(22.97)%	(8.40)%	5.06%	10.96%
Performance fee	(0.81)%	–	(0.46)%	–
Total return after performance fee	(23.78)%	(8.40)%	4.60%	10.96%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.36)%	(1.08)%	(1.28)%	(1.47)%
Performance fee	(0.81)%	–	(0.46)%	–
Total expenses	(2.17)%	(1.08)%	(1.74)%	(1.47)%
<b>Net investment loss to average net assets:</b>				
Net investment (loss)/income before performance fee	(1.20)%	(0.64)%	4.59%	1.83%
Performance fee	(0.81)%	–	(0.46)%	–
Total net investment (loss)/income	(2.01)%	(0.64)%	4.13%	1.83%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2022 continued

	31 December 2022			
	North American Fund Class I USD Distribution US\$	Smart Energy Fund Class I USD Distribution GBP	Smart Mobility Fund Class I USD Distribution US\$	UK Value Opportunities Fund Class I Sterling Accumulation GBP
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment (loss)/gain*	–	–	(0.01)	0.01
Net realised and unrealised (loss)/ gain	(7.03)	(2.16)	(2.63)	(2.66)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(7.03)	(2.16)	(2.64)	(2.65)
Net asset value at beginning of financial year	38.79	10.64	10.57	14.64
Net asset value at end of financial year	31.76	8.48	7.93	11.99
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(18.12)%	(20.30)%	(24.98)%	(18.10)%
Performance fee	–	–	–	–
Total return after performance fee	(18.12)%	(20.30)%	(24.98)%	(18.10)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.06)%	(1.03)%	(1.32)%	(0.49)%
Performance fee	–	–	–	–
Total expenses	(1.06)%	(1.03)%	(1.32)%	(0.49)%
<b>Net investment loss to average net assets:</b>				
Net investment (loss)/income before performance fee	(0.13)%	(0.31)%	(0.54)%	1.45%
Performance fee	–	–	–	–
Total net investment (loss)/income	(0.13)%	(0.31)%	(0.54)%	1.45%

\* Average net assets held during the financial year end were used for this calculation. Financial Highlights are based on financial statements NAV per share.

The above shares classes represent the overall performance of each Fund. Other share classes may have a different performance depending on the specific characteristics of the share class.

ASC 740-10 'Accounting for Uncertainty in Income Taxes – an interpretation of ASC 740' clarifies the accounting for uncertainty in income taxes recognised in the Fund's financial statements in conformity with ASC 740 'Accounting for Income Taxes'.

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return.

In conformity with ASC 740-10, the Directors have analysed the Funds' tax positions to be taken for the financial year ended 31 December 2022 and 31 December 2021 have concluded that no provision for income tax is required in the financial statements.



For the financial year ended 31 December 2023 and 31 December 2022, the average volume of the Company's derivative activities based on their notional amounts and number of contracts, categorised by primary underlying risk, are as follows:

### Artificial Intelligence Fund

#### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	122,855	(122,855)	41,579	(41,579)

### Asian Stars Fund

#### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	89,130	(89,130)	20,844	(20,844)

### Biotechnology Fund

#### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	890,407	(920,140)	878,092	(878,080)

### China Stars Fund

#### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	10,838	(10,838)	211,707	(212,177)



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

**16. Reconciliation to US GAAP** continued**Emerging Market Stars Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	315,297	(315,297)	276,827	(276,827)

**European ex UK Income Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions EUR€	Short Positions EUR€	Long Positions EUR€	Short Positions EUR€
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	135,648	(135,622)	277,677	(277,677)

**Financial Credit Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Equity Price Risk</b>				
Futures contracts	–	–	–	(1,947,967)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	815,771	(815,771)	1,159,965	(1,159,965)

**Financial Opportunities Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the year ended 31 December 2023		For the year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	7,562	(7,562)	–	–

**Global Absolute Return Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Equity Price Risk</b>				
Contracts for difference	1,887,904	(1,858,045)	243,770	(2,134,312)
Futures contracts	547,550	(5,305,144)	–	(3,408,249)
Options	–	(75,000)	–	(75,000)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,908,221	(1,908,221)	1,589,571	(1,589,571)

**Global Convertible Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Equity Price Risk</b>				
Contracts for difference	–	(2,965,946)	–	(6,714,940)
Futures contracts	30,452,756	(32,993,213)	122,218,019	(30,058,950)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	850,317	(850,317)	1,603,375	(1,603,375)

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 16. Reconciliation to US GAAP continued

#### Global Insurance Fund

##### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	206,125	(206,125)	212,177	(212,177)

#### Global Technology Fund

##### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Equity Price Risk</b>				
Options	3,356,095	–	429,750	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	2,233,202	(2,212,340)	2,124,962	(2,124,962)

#### Healthcare Blue Chip Fund

##### Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	118,682	(118,682)	93,834	(93,834)

**Healthcare Discovery Fund**

## Average Balances of Derivative Instruments

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	7,936	(7,936)	–	–

**Healthcare Opportunities Fund**

## Average Balances of Derivative Instruments

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	200,679	(200,679)	–	–

**Japan Value Fund**

## Average Balances of Derivative Instruments

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions JPY¥	Short Positions JPY¥	Long Positions JPY¥	Short Positions JPY¥
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	165,095,077	(165,095,077)	192,007,150	(192,007,150)

**North American Fund**

## Average Balances of Derivative Instruments

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,500,267	(1,500,267)	1,209,511	(1,209,511)



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

**16. Reconciliation to US GAAP** continued**Smart Energy Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	46,218	(46,218)	–	–

**Smart Mobility Fund**

## Average Balances of Derivative Instruments

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	9,937	(9,937)	–	–

The following tables identifies the net gain and loss amounts included in the Statement of Comprehensive Income from derivative contracts, categorised by primary underlying risk, for the financial year ended 31 December 2023 and 31 December 2022.

**Artificial Intelligence Fund**

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(301,174)	(3,614)	(245,834)	6

**Asian Stars Fund**

Primary Underlying Risk	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(140,314)	1,257	(113,582)	(179)

**Asian Opportunities Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	–	–	(2)	(9)

**Biotechnology Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	397,589	872,334	(17,682,565)	(4,129,937)

**China Stars Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(27,301)	19	(49,878)	–

**Emerging Market ex-China Stars Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	2,472	–	–	–

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 16. Reconciliation to US GAAP continued

#### Emerging Market Stars Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(176,058)	7,469	(785,857)	(4,893)

#### European ex UK Income Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€	Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	30,253	35,270	(80,281)	(48,844)

#### Financial Credit Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Futures contracts	89,553	(103,500)	589,052	77,467
Options	(18,072)	–	17,172	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(640,010)	(109,435)	1,487,004	534,386

**Financial Opportunities Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	15,259	36	–	–

**Global Absolute Return Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	(3,442,415)	(2,619,100)	16,861,732	(1,161,514)
Futures contracts	(71,392)	(77,786)	1,235,975	212,086
Swaps	–	–	1,624,718	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,964,765	817,066	(4,291,187)	(1,276,538)

**Global Convertible Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	(12,911,064)	7,790,951	(1,903,289)	(10,116,343)
Futures contracts	(14,588,787)	(2,360,359)	(26,341,805)	1,677,990
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	4,856,238	3,839,811	(11,177,659)	(8,960,554)



## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

## 16. Reconciliation to US GAAP continued

## Global Insurance Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(436,805)	318,430	576,982	545,853

## Global Technology Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Options	–	–	58,726,326	9,472,285
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	8,616,754	5,726,741	(53,637,973)	(11,799,929)

## Healthcare Blue Chip Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	591,860	35,088	–	–

## Healthcare Discovery Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(80,058)	76	–	–

**Healthcare Opportunities Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,635,822	36,257	–	–

**Japan Value Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,402,549,920	(46,570,000)	1,265,105,443	(236,918,338)

**North American Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,791,673	990,865	(12,650,824)	(3,425,983)

**Smart Energy Fund**

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(98,461)	(1,647)	–	–

## Notes to the Financial Statements continued

For the financial year ended 31 December 2023

### 16. Reconciliation to US GAAP continued

#### Smart Mobility Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(13,636)	86	–	–

#### UK Value Opportunities Fund

	For the financial year ended 31 December 2023		For the financial year ended 31 December 2022	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	6,756	–	2,842	–

For detailed information on the fair value of derivatives by contract type as included in the Statement of Financial Position as of 31 December 2023 please refer to the Portfolio Statements.

### 17. Significant Events during the Financial year

Karen Nolan was appointed as Chairperson on 21 February 2023.

On 22 June 2023, Automation & Artificial Intelligence Fund was renamed Artificial Intelligence Fund.

Emerging Market ex-China Stars Fund was launched on 30 June 2023.

On 30 June 2023, Emerging Market ex-China Stars Fund launched the following share classes: Class I USD Accumulation, Class I GBP Accumulation, Class I EUR Accumulation, Class S USD Accumulation, Class S GBP Accumulation, Class S EUR Accumulation, Class X USD Accumulation, Class X SEK Accumulation and Class X EUR Accumulation.

On 18 August 2023, all shares of all Funds were de-listed from the Euronext Dublin.

On 1 September 2023, Japan Value Fund launched the following share classes: Class I EUR Accumulation, Class I EUR Hedged Accumulation, Class I JPY Accumulation, Class I USD Accumulation and Class I USD Hedged Accumulation.

On 2 October 2023, European ex UK Income Fund launched the following share classes: Class Z GBP Accumulation and Class Z GBP Distribution.

At a general meeting of the shareholders of the Income Opportunities Fund held on November 2023, the shareholders approved a proposal to change the name of the Fund to the Financial Credit Fund and to change its focus from one investing primarily in the equity and debt securities of financial companies, to investing primarily in the debt securities of financial companies.

On 29 December 2023, Income Opportunities Fund was renamed Financial Credit Fund.

On 29 December 2023, Financial Credit Fund launched the following share classes: Class S EUR Accumulation, Class S EUR Distribution, Class S GBP Accumulation, Class S GBP Distribution, Class S USD Accumulation and Class S USD Distribution.



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## 18. Subsequent Events

An application was made following the year end to the Central Bank for revocation of the authorisation of Asian Opportunities Fund and Emerging Markets Income Fund.

Karen Nolan redeemed her full holding in both the Artificial Intelligence Fund and the Emerging Market Stars Fund, held jointly with a family member, on 1 and 4 March 2024 respectively.

There have been no other events subsequent to the year end, which, in the opinion of the Directors of the Company, may have had an impact on the Financial Statements for the year ended 31 December 2023.

## 19. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on 30 April 2024.



## Statement of Significant Portfolio Movements (unaudited)

For the financial year ended 31 December 2023

### Artificial Intelligence Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Alphabet	11,537	UnitedHealth Group Inc	18,205
Schlumberger	8,695	Emerson Electric	12,736
London Stock Exchange Group	8,417	Schneider Electric	10,895
Tesla Inc.	7,804	Epiroc AB	9,695
Amazon.com	7,775	BYD Company	8,450
Meta Platforms	7,596	Keyence	8,128
Wolters Kluwer	7,573	DexCom Inc	8,060
Northern Trust	7,100	Veeva Systems	8,027
Publicis Groupe	6,727	Alphabet	7,779
Atlas Copco	6,350	Thermo Fisher Scientific	7,719
Unimicron Technology	6,046	MercadoLibre	7,629
Advantest	5,979	Infineon Technologies	7,280
BAIDU	5,860	Intuitive Surgical	7,182
Schneider Electric	5,492	Atlas Copco	7,100
Netflix	5,489	MSCI	6,926
Cie Financiere Richemont	5,131	NVIDIA	6,923
UnitedHealth Group Inc	4,919	Microsoft	6,501
Eaton	4,829	Adyen	5,933
MinebeaMitsumi	4,448	Analog Devices	5,631
Quanta Computer	4,430	John Deere	5,607
Samsung Electronics	4,336	Kone	5,599
Tencent	4,060	KLA Corp	5,566
Datadog	4,020	Walmart	5,310
John Deere	3,923	Meituan Dianping Class B	5,066
Monolithic Power Systems	3,874	Mastercard	4,973
Snowflake Inc.	3,778	RELX	4,767
Veeva Systems	3,768	Baker Hughes	4,731
Ansys Inc	3,614	Sandvik	4,415
Rockwell Automation	3,505	Meta Platforms	4,211
Lite-On Technology	3,406	Fanuc Corp	4,198
Spotify Technology	3,268	eMemory Technology	4,048
Crowdstrike	3,054	Advanced Micro Devices	3,965
Trade Desk	2,963	Alibaba Group	3,822



<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Intuitive Surgical	2,880	Renishaw	3,703
GMO Payment Gateway	2,731	Cie Financiere Richemont	3,444
Kokusai Electric	2,521	Micronics Japan Co	3,360
Micron Technology	2,490	Nabtesco Corp	3,308
Harmonic Drive Systems	2,488	Ansys Inc	3,264
Oxford Nanopore Technologies	2,421	Tencent	3,253
		Teradyne	3,026
		Hamamatsu Photonics	3,000
		GMO Payment Gateway	2,996

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Biotechnology Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Northern Trust	140,770	Seagen	130,952
Amgen	93,953	Northern Trust	108,408
Argenx	91,109	Argenx	100,553
Blueprint Medicines	58,561	AstraZeneca	94,834
Biogen	57,042	Sanofi	75,879
Apellis Pharmaceuticals	53,767	Vertex Pharmaceuticals	71,829
Regeneron Pharmaceuticals	51,982	Immunogen Inc	65,232
AstraZeneca	51,915	Exelixis	62,973
Neurocrine Biosciences	50,154	Incyte	57,267
Viridian Therapeutics	43,440	Regeneron Pharmaceuticals	51,501
Intra-Cellular Therapies	42,253	BELLUS Health	50,484
Immunogen Inc	36,067	Karuna Therapeutics	46,995
Immunocore	31,717	Alkermes plc	44,043
Karuna Therapeutics	31,272	Neurocrine Biosciences	41,164
Supernus Pharmaceuticals	31,163	Zealand Pharma	34,863
Denali Therapeutics	30,997	BioMarin Pharmaceutical	34,478
Swedish Orphan Biovitrum	30,052	Amgen	33,783
Rhythm Pharmaceuticals	28,995	UCB	31,760
Arcutis Biotherapeutics	26,237	Insmed	26,956
Vertex Pharmaceuticals	25,841	Rhythm Pharmaceuticals	25,465
BioMarin Pharmaceutical	25,086	Alnylam Pharmaceuticals	23,275
Scholar Rock Holdings	24,790	Mirum Pharmaceuticals	21,485
Avadel Pharmaceuticals ADR	24,248	Genmab	20,433
UCB	21,713	Cerevel Therapeutics	20,232
Alkermes plc	20,939	Chinook Therapeutics	18,914
Celldex Therapeutics	20,463	Blueprint Medicines	18,659
Cabaletta Bio Inc	19,511	MoonLake Immunotherapeutics	18,466
Deciphera Pharmaceuticals	18,501	Harmony Biosciences	18,419
Sanofi	16,079	Merus	17,628
Cerevel Therapeutics	14,614	ACADIA Pharmaceuticals	16,933

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## Asian Stars Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Tencent	8,397	Alibaba Group Holdings	10,081
Taiwan Semiconductor Manufacturing	8,176	Northern Trust	5,917
Samsung Electronics	7,630	Prestige Estates Projects	4,710
AIA	7,554	JD.Com Inc	4,500
Reliance Industries – Restricted	6,782	Hong Kong Exchanges & Clearing	3,879
Northern Trust	6,664	Tencent	3,850
SK Hynix	6,622	MediaTek	3,372
HDFC Bank ADR	5,542	AIA	2,974
Samsung Engineering	5,514	Samsung SDI	2,910
Pinduoduo	5,334	Coforge Ltd	2,689
Alibaba Group Holdings	4,964	Advantest	2,611
Samsonite International	4,952	Naver	2,483
MakeMyTrip	4,188	Shenzhen Inovance Technology	2,461
Huazhu	4,128	JD Health International	2,282
Sungrow Power Supply	4,023	Sea ADR	2,243
Mitra Adiperkasa	3,773	OPT Machine Vision Tech	1,965
Advantest	3,692	Longfor	1,955
Telix Pharmaceuticals	3,639	Faraday Technology	1,500
Merdeka Copper Gold	3,569	LandMark Optoelectronics	1,486
Ray Co	3,492	Pinduoduo	1,426
Faraday Technology	3,346	Silergy	1,270
Ethos	3,007	Sunteck Realty	1,264
Phoenix Mills	2,925	City Developments	1,073
Shenzhen Inovance Technology	2,924	Daejoo Electronic Materials	1,045
MTAR Technologies	2,887	Koh Young Technology	1,007
HPSP	2,865	Dixon Technologies	956
ICICI Bank	2,802	Phoenix Mills	932
SUPCON Technology	2,582	eMemory Technology	873
Sea ADR	2,504	Tokyo Electron	868
OPT Machine Vision Tech	2,489	Zhejiang Heda Technology Co Ltd	857
StarPower Semiconductor	2,450	Allkem	836
Vinhomes	2,355		
Chroma ATE	2,347		
Longfor	2,244		
Catapult International	2,224		
Nusantara Sejahtera Raya	2,205		
Vincom Retail	2,178		
Meituan Dianping	2,077		
Prestige Estates Projects	1,970		
Ganfeng Lithium	1,955		
Renesas Electronics	1,856		
Vietnam Technological & Commercial Joint Stock Bank	1,827		

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

### China Stars Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Prosus	621	Tencent	1,215
ANTA Sports Products	617	Alibaba ADR	706
Tencent	613	Trip.com ADR	622
Huazhu ADR	572	China Merchants Bank Class A	616
Trip.com ADR	570	Prosus	598
PINDUODUO	554	Huazhu ADR	587
China Construction Bank	463	China Construction Bank	579
Centre Testing International	434	China State Construction Development	551
Alibaba ADR	415	NetEase ADR	538
Shenzhen Inovance Technology	371	Alibaba Group	512
Hong Kong Exchanges & Clearing	367	KE Holdings Inc ADS	493
China Merchants Bank Class A	363	JD.com Inc	457
Alibaba Group	363	S.F. Holding Co Ltd	441
Hongfa Technology	362	Meituan Dianping Class B	441
Glodon	352	Shenzhen Inovance Technology	415
KE Holdings Inc ADS	349	China Foods	414
Longfor	343	Hong Kong Exchanges & Clearing	410
Hefei Meiya Optoelectronic Technology	340	PINDUODUO	391
Ping An Insurance Group of China Class H	326	Hefei Meiya Optoelectronic Technology	390
China Merchants Bank Class H	324	Binjiang Service Group Co Ltd	369
Trip.com	321	Midea	357
S.F. Holding Co Ltd	306	Glodon	352
Contemporary Amperex Technology Co Ltd	301	Dadi Early-Childhood Education	346
Meituan Dianping Class B	281	ANTA Sports Products	343
Foshan Haitian Flavouring & Food	270	Foshan Haitian Flavouring & Food	339
China State Construction Development	267	Longfor	299
NetEase ADR	264	Tingyi (Cayman Islands) Holding	269
Sinopharm	259	Xin Point	256
JD.com Inc	257	JD.com Inc Class A	255
Anhui Conch Cement	251	STAAR Surgical	254
Jiangsu Hengrui Medicine	250	Hongfa Technology	247
Jiangsu Hengli Hydraulic	229	Gree Electric Appliances of Zhuhai	241
JD.com Inc Class A	227	Ping An Insurance Group of China Class H	238
Taiwan Semiconductor Manufacturing	204	MediaTek Inc	228
STAAR Surgical	200	NetEase	221
China Resources Sanjiu Medical & Pharmaceutical	191	Contemporary Amperex Technology Co Ltd	218
China Meidong Auto	184	Jiangsu Hengrui Medicine	213
Ping An Insurance Group of China Class A	173	Jiangsu Hengli Hydraulic	200
		Anhui Conch Cement	193

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## Emerging Market ex-China Stars Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Taiwan Semiconductor Manufacturing	104	Samsung SDI	19
Samsung Electronics	86	MediaTek	17
Reliance Industries – Restricted	48	Metro Brands	12
Ivanhoe Mines	35	Faraday Technology	10
HDFC Bank ADR	35	Ethos	9
Samsung SDI	30	Prestige Estates Projects	8
Grupo Financiero Banorte	29	Andes Technology	7
Phoenix Mills	28	Fertiglobe	7
Chroma ATE	28	Grupo Aeroportuario del Centro Norte	6
MercadoLibre	28	MercadoLibre	5
eMemory Technology	27	Alinma Bank	4
ICICI Bank	24	Sea ADR	2
Ethos	21	Phoenix Mills	2
SK Hynix	21	Raia Drogasil	2
Itau Unibanco	21	Taiwan Semiconductor Manufacturing	2
Nahdi Medical	20		
Samsung Engineering	20		
Allkem	20		
Grupo Aeroportuario del Centro Norte	20		
Globant	19		
B3 SA – Brasil Bolsa Balcao	18		
Daejoo Electronic Materials	18		
Andes Technology	18		
WEG	18		
Faraday Technology	18		
MakeMyTrip	17		
Ray Co	17		
Mitra Adiperkasa	17		
Oncoclinicas do Brasil Servicos Medicos	16		
Raia Drogasil	16		
Aldar Properties	15		
MediaTek	15		
Alinma Bank	14		
TOTVS	14		
Vinhomes	13		
Corp Inmobiliaria Vesta	13		
Apollo Hospitals	13		
Vincom Retail	13		
Merdeka Copper Gold	12		
Bioceres Crop Solutions	11		
Prestige Estates Projects	11		

The sub-fund launched 30 June 2023.

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## European ex UK Income Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Bayer	11,347	Industria de Diseno Textil	10,750
TotalEnergies	10,290	LEGRAND SA EUR4	9,340
Bureau Veritas	10,280	Schneider Electric	9,322
Sanofi	10,001	Air Liquide	8,300
Roche	9,610	Bayer	6,635
Pernod Ricard	9,584	Heineken	5,323
Coca-Cola Europacific Partners	9,155	Assa Abloy	3,134
LEGRAND SA EUR4	8,956	TotalEnergies	2,689
Carlsberg	8,877	LVMH Moet Hennessy Louis Vuitton	2,370
Getlink	8,701	Brenntag	2,353
Telenet	7,528	Muenchener Rueckversicherungs-	2,073
Danone	6,369	Gesellschaftin Muenchen	
Deutsche Post	6,306	Sanofi	2,025
Orange	6,222	SCOR	1,794
UPM-Kymmene	6,188	Deutsche Post	1,309
TRYG	6,177	UPM-Kymmene	966
Deutsche Telekom	6,000	Orange	933
Akzo Nobel	5,902	Getlink	856
Zurich Insurance Group	5,836	Bureau Veritas	842
SGS	5,688		
Vinci	5,574		
Societe BIC	5,442		
Koninklijke KPN	5,294		
Novartis	5,232		
Schneider Electric	4,922		
Siemens	4,868		
Sampo Plc	4,838		
Muenchener Rueckversicherungs-	4,800		
Gesellschaftin Muenchen			
Swiss Re	4,736		
Brenntag	4,451		
Cia de Distribucion Integral Logista	4,434		
SCOR	4,096		
NOS	3,838		
Industria de Diseno Textil	3,715		
Air Liquide	2,747		

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## Emerging Market Stars Fund

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Northern Trust	56,566	Alibaba Group Holdings	50,365
SK Hynix	29,504	JD.Com Inc	33,267
Taiwan Semiconductor Manufacturing	28,745	Tencent	28,515
PDD Holdings	27,567	Northern Trust	26,510
Tencent	26,248	Prestige Estates Projects	26,364
Reliance Industries – Restricted	25,346	MediaTek	21,808
Samsung Engineering	24,732	Samsung SDI	19,479
Samsung Electronics	24,167	Coforge Ltd	18,243
B3 SA – Brasil Bolsa Balcao	23,992	Sea ADR	15,820
Aldar Properties	21,276	Shenzhen Inovance Technology	15,239
Huazhu	19,627	MercadoLibre	15,046
MakeMyTrip	19,365	JD Health International	14,999
HDFC Bank ADR	19,328	Naver	14,043
Grupo Financiero Banorte	18,856	AIA	13,145
Zhejiang Supcon Technology	18,340	Longfor	12,629
Mitra Adiperkasa	17,832	Fertiglobe	11,615
Ray Co	17,144	Silergy	11,594
StarPower Semiconductor	17,029	Lynas Rare Earths	10,631
OPT Machine Vision Tech	16,506	OPT Machine Vision Tech	10,129
Samsonite International	16,403	Reliance Industries – Restricted	8,929
Sungrow Power Supply	15,951	LandMark Optoelectronics	8,463
Merdeka Copper Gold	15,286	Alinma Bank	8,121
Longfor	14,598	eMemory Technology	7,271
Faraday Technology	14,095	Faraday Technology	7,087
Fertiglobe	13,838	PDD Holdings	7,085
Mtar Technologies	13,373	Koh Young Technology	6,583
Hpsp Co	12,169	Sunteck Realty	6,425
Bioceres Crop Solutions	11,102	Raia Drogasil	5,765
Chroma ATE	11,059	Daejoo Electronic Materials	5,387
Shenzhen Inovance Technology	10,980	Dixon Technologies	5,249
MercadoLibre	10,885	Venus MedTech (HangZhou) Inc	4,932
AIA	10,481	Meituan Dianping	4,712
Alibaba Group Holdings	10,364		
Grupo Traxion	9,808		
Corp Inmobiliaria Vesta	9,704		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

### Financial Credit Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
United States Treasury Inflation Indexed Bonds 0.00% 21/11/2023	2,547	United States Treasury Inflation Indexed Bonds 0.00% 21/11/2023	2,551
United Kingdom Gilt Inflation Indexed Bonds 0.125% 31/1/2024	2,125	United Kingdom Gilt Inflation Indexed Bonds 0.125% 31/1/2024	2,126
United States Treasury Inflation Indexed Bonds 0.00% 26/12/2023	2,043	United States Treasury Inflation Indexed Bonds 0.00% 31/01/2024	2,043
United States Treasury Inflation Indexed Bonds 0.00% 01/02/2024	1,301	Sampo Plc	1,909
RenaissanceRe	1,197	Arch Capital	1,730
Intesa Sanpaolo 8.51% 20/09/2032	1,122	Beazley	1,612
Investec	1,114	Chubb	1,610
CPPIB Capital 6.00% 07/06/2025	1,050	United States Treasury Inflation Indexed Bonds 0.00% 01/02/2024	1,303
Deutsche Bank 2.625% 16/12/2024	946	RenaissanceRe	1,198
JPMorgan Chase 0.991% 28/04/2026	922	CPPIB Capital 6.00% 07/06/2025	1,052
Australia & New Zealand Banking 1.81% 16/09/2031	911	XPS Pensions	1,005
Eurobank Ergasias 10.00% 06/12/2032	874	Allianz	993
ING Groep 1.125% 07/12/2028	857	ING Groep	909
CaixaBank 6.88% 25/10/2033	845	Mastercard	824
Mastercard	787	Golub Capital BDC	779
United States Treasury Inflation Indexed Bonds 0.00% 4/1/2024	759	Barclays	759
United States Treasury Inflation Indexed Bonds 2.375% 15/08/2024	754	United States Treasury Inflation Indexed Bonds 0.00% 4/1/2024	755
United States Treasury Inflation Indexed Bonds 0.00% 13/6/2024	742	Aviva	755
ING Groep	732	UBS	754
UniCredit	705	United States Treasury Inflation Indexed Bonds 0.13% 15/04/2026	751
Beazley	701	Riverstone Credit Opportunities Income Fund	750
Commerzbank 8.63% 28/02/2033	684	United States Treasury Inflation Indexed Bonds 2.375% 15/08/2024	750
Banco De Sabadell	673	NatWest	744
CaixaBank 5.25% 31/12/2049	625	Litigation Capital Management	744
Bank of Cyprus 11.88% 29/12/2049	610	Wells Fargo	743
Shawbrook 12.25% 04/01/2034	598	Tufton Oceanic Assets Fund	739



<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Northern Trust	576	United States Treasury Inflation Indexed Bonds 0.00% 13/6/2024	738
Intermediate Capital Group	570	Burford Capital Finance 6.13% 12/08/2025	735
Credit Agricole	566	Tisco Financial	729
Berkshire Hathaway	546	Ares Capital	726
National Australia Bank 1.70% 15/09/2031	534	Nationwide Building Society	722
Nationwide Building Society 10.25% 29/06/2049	528	Cooperatieve Rabobank 4.875% 31/12/2049	718
AIB Group 6.25% 31/12/2049	524	OSB	714
United States Treasury Note/Bond 5.00% 31/10/2025	516	SpareBank 1 SMN	698
Banco Bilbao Vizcaya Argentaria 8.38% 31/12/2049	515	AIB Group	680
RL Finance Bonds NO 6 10.13% 31/12/2049	500	Personal	671
OSB Group 9.5% 7/9/2028	500	United States Treasury Inflation Indexed Bonds 3.26% 15/01/2027	662
OSB Group 9.99% 27/07/2033	500	AIB Group 6.25% 31/12/2049	659
BNP Paribas 9.25% 31/12/2049	490		
Intesa Sanpaolo	485		
HSBC Bank 1% 19/12/2049	485		
HSBC Bank 5.46% 30/09/2049	482		
United States Treasury Note/Bond 5.00% 30/09/2025	475		
JPMorgan Chase	471		
United States Treasury Note/Bond 4.00% 15/12/2025	468		
Caixa Economica Montepio Geral 10.00% 30/10/2026	435		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Financial Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Bank of America	725	Bank of America	1,186
US Bancorp	659	PNC Financial Services Group	875
Ping An Insurance Group H	579	US Bancorp	732
Marsh & McLennan Cos	491	JPMorgan Chase	716
RenaissanceRe	470	HDFC Bank	639
Schwab Charles	450	Toronto-Dominion Bank	625
Intesa Sanpaolo SPA	448	Prudential	596
S&P Global	442	HSBC	574
PNC Financial Services Group	428	Adyen	516
American Express	427	Sumitomo Mitsui Financial	513
London Stock Exchange Group	425	Visa	512
East West Bancorp	416	Ping An Insurance Group H	508
Mastercard	415	Wells Fargo	500
Antin Infrastructure Partners	409	Marsh & McLennan Cos	474
ING Groep	407	Intesa Sanpaolo SPA	460
Morgan Stanley	355	UBS	453
Berkshire Hathaway	348	DBS	445
OSB	336	Morgan Stanley	444
Intercontinental Exchange	332	AIB Group plc	444
Cab Payments	330	Arch Capital	425
Mitsubishi UFJ Lease & Finance	314	AIA	411
Visa	306	DNB	405
Flywire	299	East West Bancorp	389
PayPal	289	Chubb	387
MercadoLibre	284	Hong Kong Exchanges & Clearing	377
AIA	269	Bank Central Asia	367
Beazley	249	Gresham House	362
ICICI Bank	242	Mitsubishi UFJ Lease & Finance	354
Prudential	240	Citizens Financial	349
BlackRock	236	Standard Chartered	333
Adyen	224	MercadoLibre	331
VEF AB	221	PayPal	318
JPMorgan Chase	213	Schwab Charles	316
BNP Paribas	207	Flywire	314
Block Inc	205	FincoBank SPA	313
MSCI	204	Caixabank	303
Arch Capital	199	Bank Rakyat Indonesia Persero	299
Hiscox	198	BOC Hong Kong	289
AIB Group plc	190	OSB	278



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<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Intermediate Capital Group	189	IndusInd Bank	272
NU /Cayman Islands	188	Esquire Financial	268
Macquarie Group	180	WISE	262
Ares Management Corp	179	Enterprise Financial Services	246
Tisco Financial	177	Ares Management Corp	236
Chailease	174	MSCI	236
Wells Fargo	172		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Global Absolute Return Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Lagfin 3.50% 8/06/2028	18,418	Siemens Energy 5.63% 14/09/2025	14,593
Nordex 4.25% 14/04/2030	18,147	Lagfin 3.50% 8/06/2028	14,535
Cellnex Telecom 0.50% 5/07/2028	14,639	Orpar 0.00% 20/06/2024	14,042
Kingsoft 0.63% 29/04/2025	12,293	Nordex 4.25% 14/04/2030	13,375
Saipem 2.88% 11/09/2029	12,248	Kingsoft 0.63% 29/04/2025	12,316
Impinj 1.13% 15/05/2027	11,363	Sika 0.15% 5/06/2025	11,779
Orpar 0.00% 20/06/2024	11,065	InterDigital 3.50% 1/6/2027	10,982
InterDigital 3.50% 1/6/2027	10,861	Park24 0.00% 24/02/2028	10,217
Park24 0.00% 24/02/2028	10,627	Cellnex Telecom 0.50% 5/07/2028	8,418
Carnival 5.75% 1/12/2027	9,660	Lumentum 0.25% 15/03/2024	8,328
Sika 0.15% 5/06/2025	9,076	Impinj 1.13% 15/05/2027	8,243
Lumentum 0.25% 15/03/2024	8,550	Takashimaya 0.00% 6/12/2028	8,006
Insulet 0.38% 1/09/2026	7,995	Outokumpu 5.00% 9/07/2025	7,654
Takashimaya 0.00% 6/12/2028	7,927	Rag-Stiftung 2.25% 28/11/2030	7,638
Ford Motor 0.00% 15/03/2026	7,658	Ford Motor 0.00% 15/03/2026	7,367
Rag-Stiftung 2.25% 28/11/2030	7,621	Ferrotec 0.00% 23/06/2028	6,941
Rivian Automotive 4.63% 15/03/2029	7,519	Safran 0.88% 15/05/2027	6,831
Ferrotec 0.00% 23/06/2028	6,767	Saipem 2.88% 11/09/2029	6,793
Fomento Economico 2.63% 24/02/2026	6,500	Fomento Economico 2.63% 24/02/2026	6,775
Array Technologies 1.00% 1/12/2028	6,473	Kyoritsu Maintenance 0.00% 29/01/2026	6,729
Posco 0.00% 01/09/2026	6,389	Rivian Automotive 4.63% 15/03/2029	6,284
Safran 0.88% 15/05/2027	6,311	Blackline 0.00% 15/03/2026	6,248
Encore Cap Eu 4.00% 15/03/2029	5,938		

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## Global Convertible Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Cellnex Telecom 0.50% 05/07/2028	41,816	Shaftesbury Capital 2.00% 30/3/2026	46,594
ON Semiconductor 0.5% 01/03/2029	25,027	Vail Resorts 0.00% 01/01/2026	35,832
Shaftesbury Capital 2.00% 30/3/2026	23,669	Dufry One Bv 0.75% 30/3/2026	30,721
Exact Sciences 0.375% 15/03/2027	21,176	Siemens Energy Finance 5.625% 14/09/2025	28,982
SSR Mining 2.5% 01/04/2039	20,683	SSR Mining 2.5% 01/04/2039	27,849
Liberty Media 2.375% 30/09/2053	20,000	Cloudflare 0% 15/08/2026	24,574
Cie Generale des Etablissements Michelin 0% 10/11/2023	19,240	Cellnex Telecom 0.50% 05/07/2028	24,224
Nordex 4.25% 14/04/2030	18,945	ELM 3.25% 13/06/2024	24,218
PPL Capital Funding 2.875% 15/03/2028	18,730	Coupa Software 0.125% 15/06/2025	23,281
Live Nation Entertainment 3.125% 15/01/2029	18,103	ON Semiconductor 0.5% 01/03/2029	21,891
SBI 0.00% 25/7/2025	17,606	ZTO Express Cayman 1.5% 01/09/2027	20,659
Saipem SPA 2.875% 11/09/2029	17,480	STMicroelectronics 0.000% 04/08/2025	20,186
Jazz Investments 2% 15/06/2026	17,234	Cie Generale des Etablissements Michelin 0% 10/11/2023	20,000
Safran 0% 01/04/2028	16,962	Liberty Media 2.375% 30/09/2053	19,893
Takashimaya 0% 06/12/2028	16,254	Air Transport Services 1.125% 15/10/2024	19,543
Ionis Pharmaceuticals 1.75% 15/06/2028	16,040	ANA 0% 10/12/2031	19,262
Prysmian SPA 0% 02/02/2026	15,832	PPL Capital Funding 2.875% 15/03/2028	18,468
Rivian 4.625% 15/03/2029	15,500	Amadeus IT 1.500% 09/04/2025	18,139
DMG Mori 0.00% 16/07/2024	15,417	Blackline 0% 15/03/2026	18,113
Fomento Economico 2.625% 24/02/2026	15,354	Kingsoft 0.625% 29/04/2025	17,671
Evolent Health 3.5% 01/12/2029	14,340	Anllian Capital 0% 05/02/2025	17,641
DexCom Inc. 0.375% 15/05/2028	13,957	Dropbox 0% 01/03/2028	17,436
JFE Holdings 0.00% 28/9/2028	13,551	BioMarin Pharmaceutical 0.599% 01/08/2024	16,618
L&F 2.5% 26/04/2030	13,351	Safran 0% 01/04/2028	16,599
Deutsche Lufthansa 2% 17/11/2025	13,197		
Zillow 2.75% 15/05/2025	13,161		
SK Hynix 1.75% 11/04/2030	12,842		
Lumentum 1.5% 15/12/2029	12,512		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Global Insurance Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Tencent	8,397	Alibaba Group Holding	10,081
Taiwan Semiconductor Manufacturing	8,176	Northern Trust	5,917
Samsung Electronics	7,630	Prestige Estates Projects	4,710
AIA	7,554	JD.com Inc	4,500
Reliance Industries	6,782	Hong Kong Exchanges & Clearing	3,879
Northern Trust	6,664	Tencent	3,850
SK Hynix	6,622	MediaTek	3,372
HDFC Bank	5,542	AIA	2,974
Samsung Engineering	5,514	Samsung SDI	2,910
PDD Holdings	5,334	Coforge Ltd	2,689
Alibaba Group Holding	4,964	Advantest	2,611
Samsonite International	4,952	Naver	2,483
Makemytrip Ltd	4,188	Shenzhen Inovance	2,461
H World Group	4,128	JD Health International	2,282
Sungrow Power Supply	4,023	Sea ADR	2,243
Mitra Adiperkasa	3,773	CLSA OPT Machine Vision Tech	1,965
Advantest	3,692	Longford	1,955
Telix Pharmaceutical	3,639	Faraday Technology	1,500
Merdeka Copper Gold	3,569	LandMark Optoelectronics	1,486
Ray Co	3,492	PDD Holdings	1,426
Faraday Technology	3,346	Silergy	1,270
Ethos	3,007	Sunteck Realty	1,264
Phoenix Mills	2,925	City Developments	1,073
Shenzhen Inovance	2,924	Daejoo Electronic Materials	1,045
Mtar Technologies	2,887	Koh Young Technology	1,007
Hpsp Co	2,865	Dixon Technologies	956
ICICI Bank	2,802	Phoenix Mills	932
Supcon Technology	2,582	eMemory Technology	873
Sea ADR	2,504	Tokyo Electron	868
OPT Machine Vision Tech	2,489	Zhejiang Heda Technology Co Ltd	857
Starpower Semiconductor	2,450	Allkem	836
Vinhomes	2,355		
Chroma ATE	2,347		
Longford	2,244		
Catapult Group	2,224		
Nusantara Sejahtera	2,205		
Vincom Retail	2,178		
Meituan Dianping Class B	2,077		
Prestige Estates Projects	1,970		
Ganfeng Lithium	1,955		
Renesas Electronics	1,856		
Vietnam Technological & Commercial Joint Stock Bank	1,827		

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## Global Technology Fund

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Northern Trust	335,176	Microsoft	240,110
Alphabet Class C	123,260	Apple	169,975
Amazon.com	113,529	ServiceNow	151,382
Alphabet Class A	112,211	Northern Trust	115,378
Tesla Inc.	101,588	HubSpot	108,946
Synopsys	96,580	Palo Alto Networks	95,439
NVIDIA	95,298	Shopify	93,915
Adobe	90,066	NVIDIA	92,314
Monday.com	84,994	Alphabet Class C	89,629
Micron Technology	84,254	Airbnb Inc.	89,209
Shopify	82,702	Marvell Technology	89,112
Meta Platforms	81,050	Arista Networks	87,337
Uber	76,646	Visa	86,049
Snowflake Inc.	73,448	Cloudflare	84,964
Cadence Design Systems	70,358	Advanced Micro Devices	83,885
Rambus	69,266	ON Semiconductor	82,761
Netflix	68,157	Lattice Semiconductor	82,679
Cloudflare	66,320	KLA Corp	79,781
Pure Storage	64,893	MercadoLibre	78,905
ServiceNow	61,088	Alphabet Class A	77,778
Palo Alto Networks	60,257	Tesla Inc.	77,765
MongoDB	59,551	CrowdStrike	75,496
Baidu	58,718	Meta Platforms	69,594
ON Semiconductor	57,265	Infineon Technologies	68,090
BE Semiconductor Industries	56,708	Confluent	67,486
Quanta Computer	55,629	salesforce.com	67,388
Arista Networks	54,956	Nintendo	66,869
ASM International	52,621	Alibaba ADR	66,606
Confluent	52,354	Snowflake Inc.	64,051
Advantest	52,353	First Solar	63,370
Fabrinet	52,031	Pure Storage	62,226
Arm	51,621	Amazon.com	61,326
Datadog	51,409	Smartsheet Inc.	58,724
CrowdStrike	50,705	Monolithic Power Systems	57,176
Elastic	50,589	Teradyne	56,588
Unimicron Technology	49,897	Mastercard	55,985
salesforce.com	48,010	SolarEdge Technologies	54,997



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Global Technology Fund continued

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Taiwan Semiconductor Manufacturing	47,553	Trip.com ADR	54,934
Broadcom	47,310	Workday	53,709
DoorDash	45,145	Uber	52,918
Monolithic Power Systems	42,643	BYD Company	50,378
Advanced Micro Devices	41,411	Baidu	48,284
First Solar	40,384	Adyen	46,454
Zscaler	39,968	E Ink	45,922

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## Healthcare Blue Chip Fund

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
HCA Healthcare	19,628	Johnson & Johnson	22,838
Intuitive Surgical	15,589	HCA Healthcare	16,535
AstraZeneca	15,535	Eli Lilly	16,272
Humana	14,774	Humana	13,275
Becton Dickinson	14,749	AstraZeneca	13,179
Anthem	14,661	UnitedHealth Group Inc	12,271
Tenet Healthcare	12,335	McKesson	11,679
Eli Lilly	12,079	Molina Healthcare	11,085
Abbott Laboratories	11,898	Intuitive Surgical	10,537
EssilorLuxottica	11,724	Novartis	10,181
Lonza Group	11,419	Tenet Healthcare	10,044
Johnson & Johnson	10,839	Becton Dickinson	9,731
Merck	10,524	Merck	9,125
DexCom Inc	10,479	Acadia Healthcare	8,675
McKesson	10,137	Max Healthcare Institute	7,957
Bio-Rad Laboratories	9,835	Daiichi Sankyo	7,945
Acadia Healthcare	9,666	AptarGroup	7,936
CSL	9,442	Lonza Group	7,777
Takeda Pharmaceutical	9,238	Sartorius	7,493
Northern Trust	9,234	DexCom Inc	7,462
AptarGroup	9,003	Boston Scientific	7,457
Agilent Technologies	8,489	Agilent Technologies	7,424
Inspire Medical Systems	8,476	Seagen	7,288
Molina Healthcare	8,140	Bio-Rad Laboratories	7,206
Zimmer Biomet	8,034	Inspire Medical Systems	7,132
IQVIA	7,635	Sanofi	7,061
Shockwave Medical	7,138	Avantor	6,772
AbbVie	7,122	BioMerieux	6,723
R1 RCM	7,096	Genmab	6,060
BioMerieux	6,958	Option Care Health	5,591
Legend Biotech	6,951	R1 RCM	4,939
Astellas Pharma	6,326	Incyte	4,938
Insulet	5,912	EssilorLuxottica	4,840
Swedish Orphan Biovitrum	5,587	Northern Trust	4,737
Argenx	5,577	United Therapeutics	4,700
ConvaTec Group	5,412	Penumbra	4,693
Neurocrine Biosciences	5,326	Cytokinetics	4,242
Alcon	5,000	Alcon	4,179
Coloplast	4,391		
Genmab	4,218		
Sartorius	3,933		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Healthcare Discovery Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Inari Medical	990	Zealand Pharma	2,414
Inspire Medical Systems	845	Revance Therapeutics	1,605
Indivior	842	IVERIC bio	1,483
Amvis	725	Penumbra	1,391
Laboratorios Farmaceuticos Rovi	401	Max Healthcare Institute	1,369
Establishment Labs	385	Globus Medical	1,298
ConvaTec Group	372	Natera	1,185
Exact Sciences	350	Swedish Orphan Biovitrum	1,111
HealthEquity	333	Evolent Health	1,105
Tenet Healthcare	328	Ship Healthcare	1,066
Celldex Therapeutics	326	Acadia Healthcare	1,047
Bicycle Therapeutics	318	R1 RCM	995
Biomea Fusion	313	Lantheus	944
QuidelOrtho	309	Inari Medical	882
Karuna Therapeutics	290	Xenon Pharmaceuticals	875
MoonLake Immunotherapeutics	281	Gerresheimer	826
Unipharm – En Dublin	262	BELLUS Health	825
Tactile Systems Technology	233	Insmed	818
Natera	232	Evotec	752
Denali Therapeutics	226	Omniceil	733
Acadia Healthcare	226	Indivior	733
Gerresheimer	218	Zai Lab	701
Arcutis Biotherapeutics	216	AtriCure	678
Intra-Cellular Therapies	210	Exact Sciences	637
Bruker	204	Option Care Health	620
Shockwave Medical	202	Tandem Diabetes Care	604
Standard BioTools	202	Inspire Medical Systems	602
Veracyte	183	QuidelOrtho	594
LivaNova	164	Addus HomeCare	590
Apellis Pharmaceuticals	162	Organon	537
iRhythm Technologies	158	Cerevel Therapeutics	522
Bavarian Nordic	156	ALK-Abello	508
BELLUS Health	154	Surgery Partners	469
Guardant Health	147	Arrowhead	461
Bavarian Nordic Class A	141	Apellis Pharmaceuticals	455
		Amvis	449
		Supernus Pharmaceuticals	444
		Laboratorios Farmaceuticos Rovi	437
		Global Health /India	434
		Privia Health Group	434

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## Healthcare Opportunities Fund

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Northern Trust	97,469	AstraZeneca	178,657
AstraZeneca	87,113	DexCom Inc	67,453
HCA Healthcare	64,879	IVERIC bio	59,979
McKesson	61,897	Daiichi Sankyo	56,468
Regeneron Pharmaceuticals	60,011	Boston Scientific	50,075
Argenx	58,300	Becton Dickinson	49,850
Humana	51,934	Humana	49,637
Indivior	50,040	Molina Healthcare	49,539
Amvis	46,988	Argenx	48,046
Inspire Medical Systems	46,615	Option Care Health	46,538
Neurocrine Biosciences	45,378	Cytokinetics	44,648
R1 RCM	45,157	United Therapeutics	43,616
Swedish Orphan Biovitrum	44,394	Northern Trust	43,571
Innovent Biologics	42,959	Axonics Modulation Technologies	40,223
Celldex Therapeutics	39,606	Penumbra	39,311
Hikma Pharmaceuticals	35,334	Bio-Rad Laboratories	37,826
MoonLake Immunotherapeutics	34,612	Max Healthcare Institute	37,505
Disc Medicine	26,684	Alkermes plc	34,235
Legend Biotech	24,275	Globus Medical	33,126
Boston Scientific	20,760	Legend Biotech	33,106
Astellas Pharma	20,640	McKesson	32,861
DexCom Inc	20,114	Inspire Medical Systems	32,765
Cytokinetics	19,442	R1 RCM	31,857
Bio-Rad Laboratories	18,321	Ship Healthcare	29,355
Intuitive Surgical	16,453	Avantor	28,320
Establishment Labs	15,986	Krishna Institute of Medical Sciences	23,734
Mankind Pharma	14,542	LivaNova	22,613
Daiichi Sankyo	12,671	Mankind Pharma	19,086
		Acadia Healthcare	16,740

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Japan Value Fund

Purchases	Cost JPY¥'000	Sales	Proceeds JPY¥'000
Mitsubishi UFJ Lease & Finance	1,230,681	Toshiba	1,349,387
Ushio	943,429	Secom	1,073,049
Dai-Ichi Life Holdings	887,173	MinebeaMitsumi	816,983
Iriso Electronics	784,823	Sumitomo Mitsui Financial	784,914
Square-Enix Holdings	773,860	NS Solutions	733,547
Lintec	709,058	Forum Engineering	659,984
M&A Capital Partners NPV	694,036	United Arrows	637,688
Japan Eyewear Holdings Co Ltd	692,135	Concordia Financial	598,611
Medipal	680,129	Tsumura & Co	522,006
Bleach	648,029	Toyo Tire	496,163
Toyota Industries	641,462	Mitsubishi UFJ Lease & Finance	492,390
Nikon Corp	562,439	Daiei Kankyo Co Ltd	469,410
Casio Computer	553,530	Keiyo Co Ltd	460,160
Rohm Co Ltd	543,516	Lintec	441,046
Alpha Systems Inc	498,190	Tokyo Broadcasting System	375,187
Sato	493,506	Rakuten Bank	369,525
Ines	443,929	SK Kaken	355,402
Torii Pharmaceutical	434,398	Cosel	352,906
Aida Engineering	410,449	Tokio Marine	351,582
Shin-Etsu Polymer	406,764	Aeon Mall	338,768
Globeride Inc	389,792	Bank of Kyoto	281,263
Oyo	383,015	Benesse Holdings	277,118
Ichikoh Industries	380,561	Subaru Enterprise	275,434
Akatsuki	372,841	Shimamura	250,322
Kato Sangyo	350,316	Daiwa Industries	213,669
Skymark Airlines Inc	348,835	Nitto Kohki	189,233
Keiyo Co Ltd	302,956	Vital KSK Holdings	185,924
Rakuten Bank	266,000		
Secom	240,555		
Subaru Enterprise	205,190		
Suzuki Motor	202,592		
Concordia Financial	189,985		

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## North America Fund

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Northern Trust Class A	49,131	Northern Trust Class A	80,465
Northern Trust Class F	43,386	Northern Trust Class F	39,027
McKesson	24,487	Microsoft	29,321
Interactive Brokers	21,059	Arch Capital	26,630
Ferguson	19,934	United Rentals	23,909
CRH	17,543	Ovintiv	19,462
Fairfax Financial	17,220	Canadian Natural Resources	19,373
Black Knight	14,066	Ametek	18,914
Imperial Oil	11,507	Black Knight	17,465
Fidelity National Information Services	11,503	Alphabet	16,821
Marriott International	11,349	T-Mobile US	15,446
Anthem	11,242	US Foods	14,307
Core & Main	11,217	Constellation Software	13,791
Hyatt Hotels	11,111	Signature Bank	13,190
Amazon.com	9,824	Fiserv	13,154
Amdocs	8,461	Visa	13,078
Envista	8,398	Amazon.com	12,387
RenaissanceRe	5,867	Uber	11,902
Littelfuse	5,675	Affiliated Managers	11,702
Fiserv	5,628	Service Corporation International	11,695
Qualcomm	5,434	Booking	10,827
First Republic Bank	5,349	ICON	10,819
TopBuild	5,253	LPL Financial	10,277
Liberty Media	4,454	Travelers Companies	9,800
Analog Devices	4,334	TE Connectivity	9,519
Union Pacific	4,326	Anthem	8,819
MKS Instruments	4,104	Qualcomm	8,500
Cenovus Energy	3,949	SS&C Technologies	8,091
		Cenovus Energy	8,004
		First Republic Bank	7,241
		TopBuild	7,216
		RenaissanceRe	7,189
		Cannae	6,127
		Intercontinental Exchange	6,065

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## Smart Energy Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
ON Semiconductor	26,618	Vertiv Holdings	18,417
Wolfspeed	26,008	Qorvo	17,691
Marvell Technology	22,248	NIO ADR	16,016
NIO ADR	19,290	First Solar	14,840
Qorvo	17,860	Monolithic Power Systems	14,372
Lattice Semiconductor	17,830	ON Semiconductor	14,272
Vertiv Holdings	15,297	Lattice Semiconductor	13,391
MP Materials	13,701	Marvell Technology	12,460
Linde	13,610	Shoals Technologies	10,763
Albemarle	13,363	Array Technologies	10,124
Monolithic Power Systems	12,863	Alstom	9,638
First Solar	12,275	SolarEdge Technologies	9,349
Shoals Technologies	12,065	Albemarle	8,551
Analog Devices	11,042	Analog Devices	8,305
Livent	10,388	Wolfspeed	7,860
Boralex	9,236	MP Materials	7,555
Alstom	8,989	Infineon Technologies	7,312
EnerSys	8,925	EnerSys	6,083
Autodesk	8,755	BYD Company	5,672
Hydro One	8,286	STMicroelectronics	5,624
STMicroelectronics	8,119	Rohm	5,505
Air Products and Chemicals	8,035	Enphase Energy	5,441
Array Technologies	8,016	Livent	5,439
Renesas Electronics	7,660	Cognex	5,239
Lennox International	7,244	Sunrun	4,965
Ansys Inc	6,609	Power Integrations	4,958
Keyence	6,492	Nordex	4,625
NXP Semiconductors	6,448	Nexans	4,310
Nexans	6,015	Air Products and Chemicals	4,191
Cognex	5,909	Maxeon Solar Technologies	4,038
Azbil	5,835	Nidec	3,879
Silergy	5,071	Renesas Electronics	3,746
Power Integrations	4,980		
Enphase Energy	4,973		
Nordex	4,861		
Nidec	4,726		

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## Smart Mobility Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
NIO	1,405	NIO	1,310
Wolfspeed	1,159	Uber	1,175
Albemarle	1,133	Albemarle	956
ON Semiconductor	1,071	MP Materials	899
MP Materials	846	ON Semiconductor	846
Linde	821	Analog Devices	817
Monolithic Power Systems	798	Air Products and Chemicals	808
Air Products and Chemicals	666	Monolithic Power Systems	734
Uber	644	Alstom	723
u-blox	596	Linde	655
Livent	594	Infineon Technologies	646
Analog Devices	501	u-blox	613
Alstom	475	Renesas Electronics	572
STMicroelectronics	456	Visteon	560
Sociedad Quimica y Minera de Chile	311	STMicroelectronics	554
Ansys Inc	308	Wolfspeed	532
BorgWarner	289	Aptiv	516
BYD	284	SolarEdge Technologies	514
Piedmont Lithium	271	Rohm	499
Rohm	266	BYD	492
Dassault Systemes	246	Schneider Electric	426
Renesas Electronics	245	NXP Semiconductors	403
Aptiv	245	Livent	370
Infineon Technologies	237	Nidec	296
Stadler Rail	205	Sociedad Quimica y Minera de Chile	289
Lynas Rare Earths	200	Fuji Electric	260
Nidec	194	Stadler Rail	259
Visteon	194	Trimble	249
ThyssenKrupp	184	Linde	230
Lear Corporation	173	Dassault Systemes	227
		Delta Electronics	226
		Plug Power	208

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2023

## UK Value Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
HSBC	35,181	HSBC	30,040
Rio Tinto	34,260	Natwest	27,537
Hikma Pharmaceuticals	21,064	Next	25,487
Conduit	20,667	BAE Systems	25,337
Wizz Air	20,571	B&M European Value Retail	24,334
Hiscox	20,465	Shell	24,165
Shell	20,018	Conduit	22,612
Lloyds Banking Group	18,733	Standard Chartered	20,693
Man Group plc	18,294	Anglo American	20,002
BP	17,360	Cranswick	19,798
Hargreaves Lansdown	17,257	JD Sports Fashion	19,710
Standard Chartered	17,017	Computacenter	19,415
Inchcape	16,353	Rio Tinto	19,104
British Land	12,649	JD Sports Fashion	17,552
Natwest	12,303	Redrow	16,875
Dunelm	11,776	Barclays	16,473
Harbour Energy	11,390	Marks & Spencer	15,845
QinetiQ	10,477	3i	15,758
J Sainsbury	10,038	Bellway	15,157
Redrow	9,526	Morgan Sindall	14,814
Cranswick	8,533	Grafton	14,727
Rathbone Brothers	7,863	OSB	14,711
JD Sports Fashion	7,315	Breedon Group	13,437
BAE Systems	7,065	Schroders	13,409
B&M European Value Retail	6,873	BP	13,347
Anglo American	6,368	Inchcape	13,295
Bellway	6,212	Dunelm	12,763
BAE Systems	6,198	Harbour Energy	12,434
Beazley	6,090	Restore	10,665
Barclays	5,784	Premier Foods	10,287
Berkeley GP Hldgs	5,586	GSK	10,222
Computacenter	5,335	Bellway	10,213
IG Group Hldgs	5,331	Mondi	10,068
		QinetiQ	9,769
		MJ Gleeson	9,525
		Vesuvius	9,174
		Marshalls	8,628
		BAE Systems	7,957

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## Information for Investors (unaudited)

### **Information for Investors in the Federal Republic of Germany (unaudited)**

The Prospectus, the Key Information Documents, the Memorandum and Articles of Association of the Company and the annual and semi-annual reports of the Company and a complete listing of the purchases and sales during the period, each in paper form, as well as the Net Asset Value per Share, issue and redemption prices and any switching prices are available and may be obtained free of charge from the office of EU Facilities Agent.

### **Information for Investors in Switzerland (unaudited)**

The Company has appointed BNP Paribas, Paris, Zurich Branch, Selnaustrasse 16, 8002 Zurich, Switzerland as representative and paying agent for Switzerland. For redeemable participating shares distributed in Switzerland, the performance place is at BNP Paribas, Paris, Zurich branch address. Investors can obtain free of charge, the prospectus, the simplified prospectus (both also available for potential investors), the Key Information Documents (KIDS) the Articles of Association and the last annual and interim reports from the representative at the above address and the official publications for the Company are published in [www.fundinfo.com](http://www.fundinfo.com).

Following a directive of the Asset Management Association (AMAS) dated 05 August 2021, the Company is required to supply performance data in conformity with the said directive. This data can be found under each of the Fund reports.

Please note that all references to a specific index are for comparative purposes only.

Past performance is no indication of current or future performance. The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. The performance data does not take account of the commissions and costs incurred on the issue and redemption of redeemable participating shares.

Investors should contact the Swiss representative at the above address should they require additional information, e.g. on performance including the composition of the relevant indices where applicable.

## Information for Investors (unaudited) continued

### Information for Investors in Switzerland (unaudited) continued

#### Total Expense Ratio

Pursuant to a guideline from the Swiss Funds Association dated January 2006, the Company is required to publish a Total Expense Ratio (TER) for the period ended 31 December 2023.

The TERs for each Fund for the current and prior period are as follows:

Name of Fund	31 December 2023		31 December 2022	
	TER (excluding performance fee) in %	TER (including performance fee) in %	TER (excluding performance fee) in %	TER (including performance fee) in %
Artificial Intelligence Fund	0.85	0.85	0.67	0.67
Asian Stars Fund	0.52	0.52	0.54	0.54
Biotechnology Fund	1.27	2.57	1.28	1.54
China Stars Fund	0.58	0.58	0.61	0.88
Emerging Market (ex China) Stars Fund	0.41	0.41	–	–
Emerging Market Stars Fund	0.90	0.90	0.90	0.90
European ex UK Income Fund	0.75	0.75	1.10	1.10
Financial Credit Fund	1.02	1.02	1.07	1.55
Financial Opportunities Fund	1.07	1.07	1.04	1.04
Global Absolute Return Fund	0.88	1.42	0.88	0.93
Global Convertible Fund	0.97	0.96	0.95	0.96
Global Insurance Fund	0.87	0.87	0.87	0.94
Global Technology Fund	1.31	1.31	1.30	1.30
Healthcare Blue Chip Fund	0.78	0.82	0.73	0.73
Healthcare Discovery Fund	0.85	1.11	0.84	1.60
Healthcare Opportunities Fund	1.18	1.18	1.18	1.18
Japan Value Fund	0.85	0.85	0.97	0.97
North American Fund	0.77	0.77	0.75	0.75
Smart Energy Fund	1.31	1.31	1.22	1.22
Smart Mobility Fund	1.02	1.02	1.00	1.00
UK Value Opportunities Fund	0.73	0.73	0.72	0.72

The Total Expense Ratio is calculated after an adjustment for swing pricing.

#### PEA Compliance (unaudited)

The European ex UK Income Fund is Plan d'Épargne en Actions ('PEA') eligible. For the purpose of eligibility requirement of Article L-221-31 of the French Monetary and Financial Code, the Fund must at all times during the period ended 31 December 2023 be invested in more than 75% of PEA eligible assets. PEA eligible assets are defined as equity or equity equivalent securities, which have their registered office in a country which is a member of the EU or the European Economic Area.

	% PEA Eligible Assets 31 December 2023	% PEA Eligible Assets 31 December 2022
European ex UK Income Fund	79.05%	80.16%



## Appendix I – UCITS Remuneration Disclosure (unaudited)

The below disclosure is made in respect of the remuneration policies of Bridge Fund Management Limited (the ‘Manager’) in accordance with the European Union Directive 2014/91/EU as implemented in Ireland by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016. This requires UCITS management companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

The Manager has designated the following persons as Identified Staff:

- Executive and Non-Executive members of the management body of the Manager e.g. CEO, Directors, Executive and Non-Executive Directors;
- Senior management;
- Risk takers – staff who can exert material influence on the Manager or on the UCITS or AIFs it manages;
- Those in control functions: Operations, HR, Compliance, Finance where applicable;
- Staff whose total remuneration takes them into the bracket of senior management and risk takers, whose professional activities have a material impact on the Manager’s risk position or those of the UCITS and/or AIFs it manages; and
- Categories of staff of the entities to which portfolio management or risk management activities have been delegated whose professional activities have a material impact on the Manager’s risk position or those of the UCITS and/or AIFs it manages.

The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the UCITS and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager is required under UCITS regulations to make quantitative disclosures of remuneration. Disclosures are provided in relation to Identified Staff who are employed directly by the Manager and Identified Staff who have the ability to materially impact the risk profile of the UCITS including individuals who, although not directly employed by the Manager, are assigned by their employer to carry out services directly by the Manager.

All remuneration paid to Identified Staff can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

Remuneration details for the Manager are disclosed below:

Description	Number of beneficiaries	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
Total Staff Remuneration	45	€3,948,284	€3,503,284	€445,000
Senior Management (including executives), risk takers and other identified staff	8	€1,194,440	€952,440	€242,000

Details of the Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits is available at the following website:

<https://bridgefundservices.com/media/ceupd4jd/remuneration-policy.pdf>



## Appendix II – Securities Financing Transactions Regulation (unaudited)

Article 13 of the Securities Financing Transactions Regulation ('SFTR') requires information to be provided as to the use of securities financing transactions ('SFT') and Total Return Swaps ('TRS').

An SFT is defined in Article 3 (11) of the SFTR as: a repurchase transaction, securities or commodities lending and securities or commodities borrowing; a buy-sell back transaction or sell-buy back transaction; or a margin lending transaction.

As at 31 December 2023, the Company held Total Return Swaps (including CFDs) but no SFTs. The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0.00% as at 31 December 2023.

### Global Data

Type of Asset	Absolute Amount	Proportion of AUM (%)
<b>Contracts for difference</b>		
Global Absolute Return Fund	\$51,574,472	19.81%
Global Convertible Fund	\$20,316	0.01%

### Concentration Data

Collateral Issuers	Volume of the collateral securities and commodities
UBS AG	-\$8,256,058

The gross volume of outstanding trades with each counterparty across all SFTs is as follows:

Counterparty	Gross volume of outstanding trades*
<b>Contracts for difference</b>	
Global Absolute Return Fund	UBS AG \$51,574,472
Global Convertible Fund	UBS AG \$20,316

\* Gross volume of outstanding transactions expressed as market value of open derivative contracts at the reporting date.



## Aggregate transaction data

Contracts for difference	Type/ Quality of collateral	Currency	Maturity tenor (collateral)	Maturity tenor (SFTs/ Total Return Swaps)	Country of counterparty establishment (not collateral)	Settlement and clearing
<b>Global Absolute Return Fund</b>						
UBS AG	Cash	Multiple	>1 year	>1 year	Switzerland	Bilateral
<b>Global Convertible Return Fund</b>						
UBS AG	Cash	Multiple	>1 year	>1 year	Switzerland	Bilateral

The share of collateral that is reused is 0.00%.

## Safekeeping

Counterparty	Collateral assets safe-kept
UBS AG	Cash Collateral

The proportion of collateral held in segregated accounts, in pooled accounts or any other accounts is 100.00%.

## Return/(Costs)

Contracts for difference	Absolute Returns		Overall returns %
	Return	Cost	
Global Absolute Return Fund	\$1,752	-\$7,487,288	100
Global Convertible Fund	\$7,790,951	-\$40,001,649	100

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited)

### Artificial Intelligence Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Polar Capital Funds plc – Artificial Intelligence Fund (the “Fund”)

**Legal entity identifier:** 549300CIM5X5EALQL483

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies within the global investment universe with products and services which contributed to;

- (i) improving the efficiency, resilience, and sustainability of infrastructure
- (ii) increasing business productivity and efficiency
- (iii) improving individual prosperity, well-being, and social empowerment

For the avoidance of doubt, the Fund did invest in companies within the global investment universe the products and services of which did not, in part or in whole, contribute to the promoted characteristics outlined above. Such companies included, by way of example,

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

those operating in emerging areas of artificial intelligence which lacked well-defined use cases or for which their contribution to the promoted characteristics was uncertain, but in respect of which the Investment Manager was of the view that an investment offered attractive investment opportunities for the Fund and aligned with the broader ESG elements of the Fund's investment process.

● **How did the sustainability indicators perform?**

The Investment Manager measured the attainment of the Fund's promoted characteristics by analysing the proportion of its investee companies' current or estimated future revenues derived from products, services or activities aligned with each promoted characteristic.

Over the reference period, a weighted average of 88.9% of the current or estimated future revenues of the companies in which the Fund had invested were derived from products, services or activities aligned with the three promoted characteristics<sup>1</sup>.

The breakdown of revenue alignment per promoted characteristic is highlighted in the table below:

Characteristics	Quarterly Revenue Alignment <sup>2</sup>		Average <sup>3</sup>
	Sep-23	Dec-23	
<b>Improve the efficiency, resilience, and sustainability of infrastructure</b>	42.0%	45.3%	<b>43.6%</b>
<b>Increasing business productivity and efficiency</b>	25.5%	25.5%	<b>25.5%</b>
<b>Improve individual prosperity, well-being, and social empowerment</b>	20.2%	19.4%	<b>19.8%</b>
<b>Total</b>	<b>87.6%</b>	<b>90.1%</b>	<b>88.9%</b>

There were no investments that failed the exclusion criteria for the whole reference period.

● **...and compared to previous periods?**

The Fund was approved by the Central Bank of Ireland as an Article 8 SFDR fund on 28 August 2023 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

<sup>1</sup> The Fund's alignment with its promoted characteristics is calculated by taking the weighted average alignment of the Fund with its characteristics at the end of each calendar quarter (30 September 2023 and 31 December 2023) and calculating the simple average of the quarterly alignment figures. This excluded the first two quarters of the calendar year as the Fund was not classified as an Article 8 Fund at this time.

<sup>2</sup> The table shows the portfolio weighted average current or estimated future revenue alignment of the Fund, including cash, with each of the characteristics at the end of each quarter. The total alignment of the Fund with the characteristics is calculated by summing the alignment figures for each of the characteristics.

<sup>3</sup> This shows the simple average of the Fund's quarterly portfolio current or estimated future revenue alignment with each of the characteristics. The total alignment of the Fund with the characteristics is calculated by summing the alignment figures for each of the characteristics.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Artificial Intelligence Fund continued

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### How did this financial product consider principal adverse impacts on sustainability factors?

The greenhouse gas (“GHG”) emissions, GHG Footprint and GHG Intensity of investee companies were evaluated using data provided by a third-party data provider and in addition, investee companies’ own disclosures in their Annual Report, 10K or 20F, Sustainability or ESG Reports, particularly applicable for those companies where third-party provided data was not available.

Scope 1 and Scope 2 GHG emissions were considered for every investee company and in addition, Scope 3 GHG emissions for the most material emitters were considered. Scope 3 GHG emissions account for over 90% of the aggregate Scope 1, 2, and 3 GHG emissions made by investee companies.

Investee companies’ GHG emissions data were then referenced against the Fund’s benchmark (MSCI ACWI TR Net Index), and the sector in which the company operates to identify those operating within High Impact Climate Sectors as defined by the Institutional Investors Group on Climate Change.

When these GHG emissions were flagged as being above a certain threshold or the investee company was in a High Impact Climate Sector, the Investment Manager assessed whether the company has an emissions mitigation or reduction strategy in place, whether that strategy or target is independently verified by a reputable third party such as the Science Based Targets initiative (SBTi), and whether the company’s emission trend is on track with the reduction target.

For those investee companies that flagged in these tests, the Investment Manager conducted an in-depth additional review. This review verifies the accuracy of any data provided by third parties, checks whether the investee company was intending to set new emissions reduction targets soon and checks whether the investee company had committed to SBTi accreditation in the future or had other mitigation strategies, such as a commitment to close down or dispose of high emission activities.

When the Investment Manager was dissatisfied with the investee company’s overall mitigation strategy or when the company provided inadequate disclosure of its emissions, and the Investment Manager deemed it necessary, engagement was attempted.

Examples of investee companies with whom the Investment Manager engaged with last year by call or email include Samsung Electronics and Taiwan Semiconductor Manufacturing (TSMC). These did occur before the Fund was classified as Article 8 but were instructive in informing the consideration of the emissions at the end of the year. Questions to these companies included, but were not limited to, why they were not committing to SBTi accredited reduction targets, despite being two of the highest emitting technology companies globally in absolute terms.

While TSMC does have an internal Scope 3 target, Samsung does not. In both cases, there is disappointment that emissions have continued to rise and that the companies are not able to commit to SBTi targets. In mitigation, the Investment Manager learned from the engagements that both companies have made public commitments to Net Zero across the entire value chain by 2050. SBTi accreditation is not yet possible, however, as there is not



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Artificial Intelligence Fund continued

yet semiconductor sector-specific guidance from the SBTi and in addition, SBTi accreditation requires a near term reduction in absolute emissions which both companies are not able to achieve due to business growth, in part due to demand related to artificial intelligence (AI).

Both companies are also severely constrained by the lack of renewable power generation in South Korea and Taiwan, where the majority of their respective operations are based. The Investment Manager intends to engage with Samsung again later this year should a Scope 3 target not be produced with their next Sustainability Report. TSMC have promised that their emissions will peak in 2025 and the Investment Manager will monitor progress against this objective.

While the company is not currently held in the Fund, the Investment Manager held two ESG engagements with the ESG director of HubSpot, during which the Investment Manager learned more about the process they had undertaken for achieving SBTi accreditation of their Net Zero targets across all 3 scopes by 2040. This provided the Investment Manager valuable insight into the difference between SBTi accreditation of Net Zero (which relies on a -90% reduction in absolute emissions) and a company's own internal targets (where a specific absolute reduction target may not be required, and more weight is placed on carbon offsets). As a result of the HubSpot engagement, the Investment Manager will now endeavour to engage with investee company Amazon on emissions as they have now failed to achieve SBTi accreditation within the prescribed two-year window and are no longer deemed by the SBTi to be SBTi committed.

The Investment Manager considered the Fund's exposure to companies active in the fossil fuel sector by evaluating each investee company's revenue breakdown using third party data and the Investment Manager's knowledge of each company. The Fund has an exclusion policy of not investing in companies that derive more than 5% of their revenues from thermal coal production. The Investment Manager confirms that five of the Fund's investee companies had revenues which were attributable to the fossil fuel sector as at 31 December 2023. However, all companies held by the Fund complied with the Fund's exclusion limit on thermal coal production- derived revenues.

Using data provided either by third parties or the company's own disclosures, the Investment Manager considered the gender diversity of each investee company's board. Towards the end of the year, the Investment Manager increased the threshold at which companies are flagged for additional review, i.e. requiring greater female board representation, though the thresholds applied by the Investment Manager differ depending on the company and its location to reflect regional norms on board diversity. When an investee company's proportion of female directors fell below a certain threshold, the Investment Manager conducted an additional review of the circumstances to verify that the data was correct, and whether the investee company had a strategy or objective to improve board gender diversity.

Several investee companies have been identified where the Investment Manager deems board gender diversity to be inadequate and the Investment Manager's stewardship activity will now encourage additional females to be added to the board.



Every investee company is assessed for severe controversies and allegations of United Nations Global Compact (UNGC) norms violations using data and information provided by third parties or independently sourced by the Investment Manager. When deemed material, the issue is investigated further with an in-depth review of the specific circumstances. This review will make recommendations for further action which may include monitoring, voting, engagement and in extremis, divestment, or exclusion.

Investee companies covered by such a review included Alphabet, Amazon, Meta Platforms and Tesla. Engagement has taken place, or is scheduled to take place, with some of these companies and the Investment Manager will continue to evaluate the adequacy of the responses received.

The Investment Manager reviewed various controversies involving Meta Platforms, including a recent lawsuit brought by 33 US states alleging that Meta violated consumer protection laws by unfairly ensnaring children and deceiving users about the safety of its platforms. While engagement on this is unlikely to be fruitful as Meta will be unable to comment on specific lawsuits, the Investment Manager did vote for a shareholder resolution at the 2023 AGM requesting a 'Report on Child Safety and Harm Reduction', against management's recommendation. The Investment Manager also participated in a call with a member of the independent Meta Oversight Board to understand the investment and resource Meta is putting into improving the efficacy and transparency of its content moderation policies in practice. The Investment Manager learned that while 90% of content on Meta's platforms that needs removing is achieved with AI, Meta has still expanded its number of human reviewers from 5,000 to 15,000 in recent years. This call gave the Investment Manager reassurance that Meta is committed to reducing potentially harm content across its social media platforms.

Investee companies Amazon and Tesla were flagged as being potential indirect beneficiaries of the illegal use of Uyghur labour within their Chinese supply chains. Amazon has been highlighted in a Report by the Australian Strategic Policy Institute (ASPI), and Tesla by a Report by Sheffield Hallam University on the automobile industry's supply chain. All the allegations in respect of these companies were evaluated and documented by the Investment Manager.

In the case of Amazon, it was noted that the company had investigated the ASPI allegations and had successfully requested that ASPI delete reference to three suppliers that Amazon claim never to have used and had terminated a contract with a fourth supplier referenced by ASPI. Amazon was also alleged by Amnesty International to have used illegal contractors in its Saudi Arabian warehouses. The company acknowledged and then remediated various deficiencies but, disappointingly, declined a request to engage with the Investment Manager on this issue.

The Investment Manager held a call with a representative of Tesla on the issue of supply chain compliance especially in respect of alleged links to Uyghur labour. The company acknowledged a non-zero risk that somewhere within their Chinese supply chain, some illegal labour may have been used, but the Investment Manager took reassurance that Tesla is an industry leader in terms of supply chain audit and compliance. Tesla's 2022 Impact Report highlighted 3,400 examples of non-conformance found within their 2022 audits, with 33% of these being labour related issues. The Investment Manager will continue to monitor this issue and the risk has been noted by the Team.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Artificial Intelligence Fund continued

The Investment Manager will continue to engage with investee companies as and when new material controversies or potential norms-related violations arise.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>4</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>5</sup>
GHG Emissions (TCO2e)	Scope 1	2,290.1	97.9%	19,850.2	99.8%	-88.5%
	Scope 2	4,347.3	97.9%	4,519.9	99.8%	-3.8%
	Scope 1 & 2	6,637.4	97.9%	24,370.1	99.8%	-72.8%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	16.8	97.9%	60.1	99.8%	-72.0%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	57.9	97.9%	157.2	99.8%	-63.2%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	40.0	97.9%	126.9	99.8%	-68.5%
Female Board Representation (%)		31.7%	97.9%	33.1%	99.9%	-4.2%

<sup>4</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI ACWI Net Total Return Index. The allocated emissions of investee companies' are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €405m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>5</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	%Assets	Country
NVIDIA	Technology	6.0%	United States
Microsoft	Technology	5.7%	United States
Alphabet	Communications	3.7%	United States
Advanced Micro Devices	Technology	3.4%	United States
Amazon.com	Communications	3.2%	United States
DISCO	Industrial	2.9%	Japan
Micron Technology	Technology	2.8%	United States
Hoya	Industrial	2.4%	Japan
RELX	Technology	2.4%	United Kingdom
Schneider Electric	Industrial	2.4%	France
KLA Corp	Technology	2.3%	United States
Rockwell Automation	Industrial	2.2%	United States
ASM International	Technology	2.2%	Netherlands
Atlas Copco	Industrial	2.2%	Sweden
London Stock Exchange	Financial	2.2%	United Kingdom



### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

#### ● *What was the asset allocation?*

The Fund primarily seeks to invest in companies within the global investment universe. The Investment Manager assessed 100% of the companies in the Fund for revenue alignment towards the Fund's promoted environmental and/or social ("E/S") characteristics.

During the reference period, an average of 88.9% of current or estimated future revenues of the companies invested in by the Fund were aligned with the environmental or social characteristics promoted by the Fund.<sup>6</sup>

The Fund's investments identified as #2 Other in the below diagram were held in equity securities that did not contribute towards the Fund's promoted characteristics, cash and/or derivative instruments.

<sup>6</sup> The Fund's alignment with its promoted characteristics is calculated by taking the weighted average alignment of the Fund with its characteristics at the end of each calendar quarter (30 September 2023 and 31 December 2023) and calculating the simple average of the quarterly alignment figures. This excluded the first two quarters of the calendar year as the Fund was not classified as Article 8 at this time.

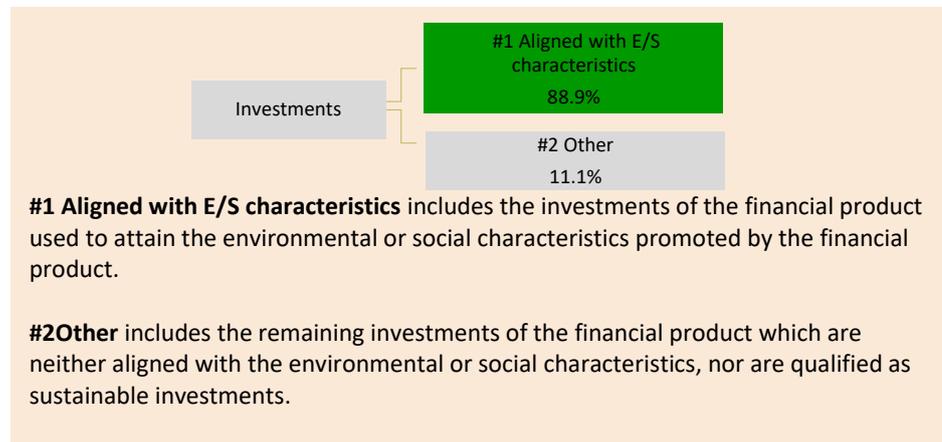
Asset allocation describes the share of investments in specific assets.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Artificial Intelligence Fund continued

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)



● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>7</sup>
Technology	45.4%
Industrial	18.8%
Communications	14.0%
Financial	7.1%
Consumer, Cyclical	4.0%
Energy	3.7%
Consumer, Non-Cyclical	2.8%
Consumer Staples	1.3%
Industrials	0.7%
Materials	0.7%
Health Care	0.4%

During the reporting period, the portfolio contained five companies with exposure to fossil fuels, being Baker Hughes, Emerson, Rotork, Schlumberger and Walmart.

The Investment Manager actively considered investee companies’ contribution to the global transition to a Net Zero economy. For example, while Emerson’s exposure to oil & gas related revenues constitutes 20-25% of their group revenue, the company also estimates that 70% of their revenue is tied to ‘sustainability enabling technologies’ defined by the company as, among others, renewable power, energy source decarbonisation, energy storage, electrification, and energy use optimisation.

Further, the Investment Manager considered each company’s emission reduction targets and performance. Emerson has SBTi approved targets for Net Zero in Scopes 1+2 by 2030 and by 2045 in Scopes 1+2+3. This is deemed by the Investment Manager to be a creditable

<sup>7</sup> This shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023

**Enabling activities**

directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are**

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities**

directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are**

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

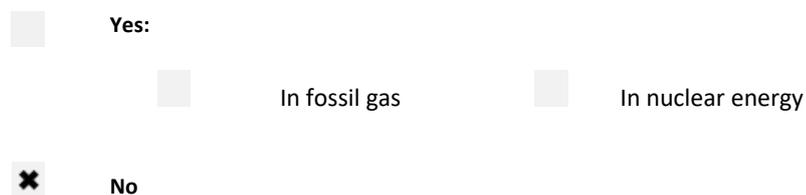
achievement in itself as some companies are SBTi committed but not yet approved while others do not have any science-based targets at all. These targets would require a 90% reduction in the gross absolute emissions that Emerson is responsible for which by 2045 which in 2022 totalled 596 million tonnes.

Schlumberger also has a Net Zero target across all three scopes by 2050 although these have not been submitted to the SBTi. Rotork has a target of Net Zero in Scope 1+2 by 2035 and across all three scopes by 2045 although again, these have not been submitted to the SBTi. Baker Hughes has a target of Net Zero in Scope 1+2 by 2050 although does not yet have a Net Zero target in Scope 3 and therefore has made no submissions to the SBTi for approval of its targets.

**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

**Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>8</sup>?**

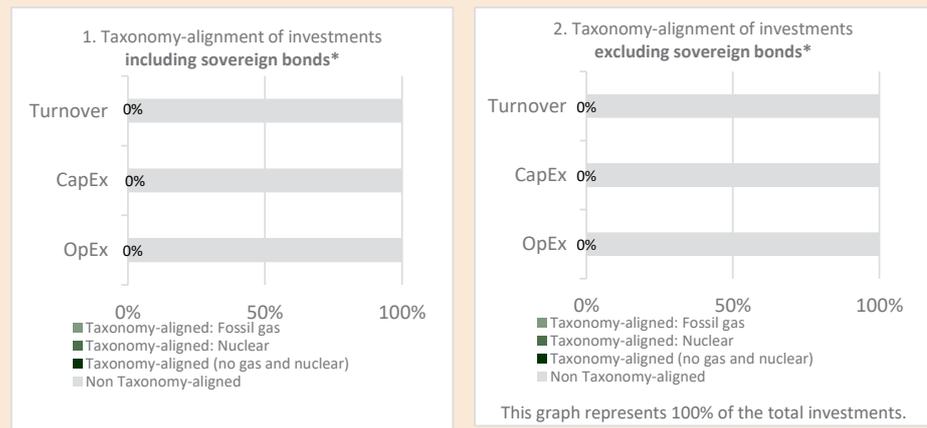


<sup>8</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Artificial Intelligence Fund continued

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

An average of 11.1% of the Fund’s investments were classified as #2 Other over the reference period<sup>9</sup>. These investments include the portion of equity investments whose current or estimated future revenue, in part or on the whole, did not align with the promoted characteristics and cash and derivative instruments.

All equity investments are subject to the Fund’s exclusion criteria. There are no minimum environmental or social safeguards applicable to cash or derivatives.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In accordance with the investment strategy for the Fund, the Investment Manager assessed every investee company for the company’s current or estimated future revenue alignment with the three promoted characteristics described above. Every prospective investment was also assessed against the Fund’s exclusion criteria.

Every existing holding is assessed on the same basis and its alignment is monitored on an on-going basis.

This internal review ensured that a minimum threshold of at least 50% of the Fund’s assets were always invested in companies aligned with the promoted characteristics and ensured compliance with the Fund’s exclusion parameters.

The following are examples of stocks held over the review period that demonstrate strong alignment with the Fund’s promoted characteristics:

#### **Intuitive Surgical**

Intuitive Surgical is the global leader in robotic-assisted surgery platforms that have been proven to deliver better clinical outcomes for patients. Some such benefits include lower rates of complications, reduced recovery times and shorter duration of hospital admission for patients undergoing procedures. Intuitive Surgical continues to broaden the accessibility of these benefits through the introduction of new robots and expanding the range of surgical procedures in which robotic-assisted surgery is used. R&D efforts have also been focused on accelerating and improving the surgical training pathway for trainee and newly-qualified medical professionals.

#### **Schneider Electric**

Schneider Electric’s revenue is aligned to both improving the efficiency, resilience, and sustainability of infrastructure (77% - Energy Management Division) and increasing business productivity and efficiency (23% - Industrial Automation Division). The Energy Management division provides electrical and power infrastructure components or systems that drives efficiency, electrification, and digitisation at their customers. The Industrial Automation division helps customers solve the labour supply and productivity issue through the sale of equipment, services, and software.

<sup>9</sup> This figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, categorised as ‘Other’ investments. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted ‘Other’ investments as at each calendar quarter end (i.e. 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Artificial Intelligence Fund continued

#### London Stock Exchange Group (LSEG)

LSEG's purpose is to drive financial stability, empower corporate and governmental financial institutions, and enable customers to create sustainable growth. LSEG operates critical infrastructure that underpins significant parts of global capital markets infrastructure, as well as data and analytics covering a wide range of financial and environmental data. Their products contribute to efforts to grow the green economy and deliver sustainable economic growth.

Monitoring of any ESG issues and controversies was undertaken during the reference period and is ongoing.

At every Annual General Meeting ('AGM') or shareholder meeting, the Investment Manager reviewed the resolutions and documented when voting against an investee company's management and why. The AGMs referenced in the following examples all took place before the Fund was classified as Article 8 but during the calendar year in which the reporting period commences.

At the Amazon AGM, against the management recommendation, the Investment Manager voted for various resolutions aimed at improving the company's transparency on environmental initiatives. These were a Report on Impact of Climate Change Strategy Consistent with Just Transition Guidelines, a Report on Climate Lobbying and a Report on Efforts to Reduce Plastic Use. The Investment Manager will endeavour to engage with Amazon in the next reporting period on the subject of greenhouse gas emissions and their now lack of commitment to SBTi accreditation.

The Investment Manager voted against the management recommendation and in favour of a resolution requesting a Report on Gender and Racial Pay Gap at the Intuitive Surgical AGM.

The Investment Manager voted against the management recommendation and in favour of a resolution requesting a Report on Median Gender and Racial Pay Gap at the DexCom AGM.

The Investment Manager voted against the management recommendation and in favour of a resolution requesting a Report on Risks of Operating in Countries with Significant Human Rights Concerns at the Microsoft AGM.

At the Meta Platforms AGM, the Investment Manager withheld votes on the re-election of four directors who are members of the Governance and the Compensation committees on the basis that the dual class share structure is not subject to a reasonable time-based sunset provision and that there was no 'say-on-pay' resolution. A withheld vote was also made on the re-election of CEO Mark Zuckerberg as owner of the super-voting shares.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How does the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Asian Stars Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc - Asian Stars Fund (the “Fund”)

Legal entity identifier: 549300KAEBRJQSPZT179

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 37% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies primarily situated in emerging markets that have the ability to remain competitive and deliver attractive profitability over the long term due to robust fundamental characteristics, but only where these robust fundamental characteristics were combined with good or improving environmental, social and governance (“ESG”) profiles based on the Investment Manager’s proprietary analysis.

The Fund had a bias towards companies with improving sustainability profiles, based on the Investment Manager’s proprietary analysis.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund excluded companies that have an unacceptable or controversial ESG profile following the application of quantitative and qualitative analysis by the Investment Manager and through the use of the Fund's exclusions list.

The Investment Manager determined a security had met the characteristics of the Fund if it scored equal to or greater than 5 on its proprietary 'Sustainability Delta' scoring framework.

All investments attained the characteristics of the Fund on an individual basis over the review period.

● ***How did the sustainability indicators perform?***

The Investment Manager evaluated the Fund's performance on the characteristics through scores in five specific areas of sustainability including how a company contributed to future sustainable economic development (its 'Impact on Progress'), how a company managed its key risks and opportunities from an ESG perspective (its 'Material ESG Issues' – broken down into three separate areas: 'Environmental', 'Social' and 'Governance') and how a company ensured it acted as a responsible corporate citizen (its 'Business Ethics').

Each company was assigned two quantitative scores from 1-10 based on these five areas, one on a 'Current Level' basis and another on a 'Future Direction' basis.

The company's scores in these five areas are then taken together to provide the Investment Manager with a company's 'Sustainability Delta', which shows both the 'Current Level' and 'Future Direction' of a company from a sustainability perspective.

There are two ways in which portfolio-level indicator scores change from period to period. These are via i) upgrades/downgrades to the Investment Manager's internal stock scores on existing holdings, and ii) portfolio changes from buying lower scoring, selling higher scoring stocks or vice versa.

In the case of i), stock score upgrades are typically incremental, only apply to one element of the Investment Manager's complex scorecard for a stock, do not carry a large weight, and will require many upgrades to have a large impact on the overall indicator score.

In the case of ii), as the Fund has relatively low turnover, and it is unlikely that the spread on all new stocks bought versus all stocks sold during a given period will be very wide (in either direction), this driver too is moderate. Over this reporting period the Fund bought 20 new stocks and exited 16 positions.

As in previous years, the Investment Manager expects to continue to see small changes in the sustainability indicators at the portfolio level, even whilst at the underlying stock level there may be a number of investments which experience multi-point upgrades due to operational and strategic improvement. There has been no significant change to the scoring process or other methodology changes over the reporting period that impact scores for this year.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

The Investment Manager prefers to invest in securities which display an improving trend with the score for Future Direction improving from Current Level (“Positive Delta”), though this is not a requirement for an investment to meet the Fund’s characteristics and the Fund may invest in securities where scores are stable across the forecast period (“Stable Delta”).

In cases where scores display a deteriorating trend, with the Future Direction score declining from the Current Level score (“Negative Delta”), the Investment Manager makes a commitment to engage with the company to resolve a path forward. The current breakdown of the Fund is shown in table below<sup>1</sup> :

	2023	
	Current Level	Future Direction
<b>Impact on progress</b>	7.72	7.98
<b>Environmental</b>	5.78	6.56
<b>Social</b>	6.57	6.80
<b>Governance</b>	7.27	7.33
<b>Business ethics</b>	6.84	7.09

	% Fund <sup>2</sup>
<b>Positive Delta: Level &lt; Direction</b>	77.2%
<b>Stable Delta: Level = Direction</b>	22.6%
<b>Negative Delta: level &gt; Direction</b>	0.2%

<sup>1</sup> The table shows the average score of the Fund, excluding cash, across the five sustainability indicators of the Fund over the reference period. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted scores as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December 2023).

<sup>2</sup> The tables shows the percentage of the Fund’s assets as at 31 December 2023, excluding cash, on a portfolio weighted basis that either have positive, stable or negative Delta. The Delta of the sustainability scores is defined as the difference between the Current Level and the Future Direction.

● *...and compared to previous periods?*

A summary of the headline scores for comparison is shown below<sup>3</sup>:

	2021		2022	
	Current Level	Future Direction	Current Level	Future Direction
<b>Impact on progress</b>	7.39	7.70	7.54	7.81
<b>Environmental</b>	6.28	6.72	5.92	6.63
<b>Social</b>	6.82	7.17	6.62	6.90
<b>Governance</b>	7.16	7.43	7.25	7.30
<b>Business ethics</b>	6.75	6.99	6.90	7.03

The table below displays a summary of all changes that have been made in the way described over the reporting period<sup>4</sup>.

	Current Level 2022	Upgrade	Portfolio Change	Current Level 2023	Future Direction 2022	Upgrade	Portfolio Change	Future Direction 2023
<b>Impact on progress</b>	7.54	0.18	0.00	7.72	7.81	0.21	- 0.03	7.98
<b>Environmental</b>	5.92	- 0.17	0.03	5.78	6.63	- 0.07	0.01	6.56
<b>Social</b>	6.62	- 0.07	0.03	6.57	6.90	- 0.04	- 0.06	6.80
<b>Governance</b>	7.25	0.04	- 0.02	7.27	7.30	0.04	- 0.01	7.33
<b>Business ethics</b>	6.90	0.08	- 0.14	6.84	7.03	0.19	- 0.13	7.09

As is consistent with the Fund's process and the expectations of the Investment Manager, the sustainability indicator scores shown at a headline, aggregated level remain very stable from the previous period to the reference period. All of these ten individual indicators (5 metrics across level and direction) have seen movement of less than +/- 0.20 from the reference period, with the smallest being just +0.02 for Governance, on both Current Level and Future Direction, and the highest +0.18 for Impact on Progress, again on both metrics. The largest downward move was of -0.10, seen in Social, Future Direction. The key drivers of these constituent parts are analysed below.

Impact on Progress

The Fund's Impact on Progress score increased the most of any over the reference period, up by 0.18 for Current Level and +0.18 for Future Direction alike compared with 2022, to 7.72 and 7.98, as shown in the summary table above.

<sup>3</sup> Please note the figures shown for 2021 in this table differ slightly to those shown in the Fund's SFDR Disclosure Annex of the Company's 2021 Annual Report. This difference is due to an update in the calculation methodology of the sustainability indicators. Sustainability indicator scores are now based on the portfolio weighted average of investee companies scores rather than a simple average. Please refer to page 398 of the 2021 Annual Report for full details of the portfolio scores against the five areas on a simple average basis.

<sup>4</sup> Figures may not sum due to rounding.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

In both cases this improvement came almost exclusively from upgrades within existing holdings, as the effect from portfolio changes had 0 effect within Current Level and a very slight negative effect within Future Direction.

The largest contributor to improving scores in this area came from AIA.

For AIA, a review of the company's scores was part of a deeper dive into the opportunity the business has across its Asian markets for the long term. This led to research which gave a fuller appreciation of the linkages between life & health insurance, and such improvements as reduced poverty and lower unemployment due to the safeguards provided. These beneficial influences tie-in in more ways and more closely than we had previously given credit for, and are backed by academic studies. The Investment Manager therefore upgraded our scores for Economic Progress under productivity and financial inclusion. AIA was upgraded significantly from 5 to 9 on both Current Level and Future Direction during the review period.

The portfolio change effect had little impact on score changes for this metric.

#### Environmental

The Environmental score declined marginally on both Current Level and Future Direction, registering a -0.14 downward move for Current Level and -0.07 for Future Direction over the reporting period, to 5.78 and 6.56. In composition this was driven in both cases by intra-fund upgrade/downgrades to existing holdings offsetting the small positive effect of portfolio changes.

Together with AIA mentioned above, TSMC was the most material contributor to the negative effect from score downgrades, particularly given the weight of the company within the Fund. The score for TSMC moved from 4.3 to 4.0 for Current Level and 6.0 to 5.7 for Future Direction. This is for the most part an ongoing function of the stricter methodology the Investment Manager implemented from 2022 which ensures the Investment Manager is following a consistent and more objective assessment of the way portfolio companies are performing on their material environmental factors by percentile ranking data for key metrics vs. their relevant peers. On this basis, TSMC has slipped a few percentage points, as reflected in our scoring. It should be noted, however, that the Investment Manager strongly believe semiconductors are key inputs into all types of smart, efficient electronics which are key to decoupling the link between economic growth and rising energy consumption. As the world's largest foundry and contract manufacturer of semiconductors as well as the technology leader, TSMC plays a central role in making this happen.

Whilst the portfolio change effect had little impact on score changes for this metric, it is notable that the environmental current level scores on overall buys and sells during the year had a net negative spread on a weighted average basis; that is new buys (5.77) were on average lower scoring than sells (5.87). This represents the style and aim of the Fund which is to hold companies as they improve and benefit from associated performance, but then recycle capital into businesses where the Investment Manager is able to identify new opportunities for sustainable growth and economic development backed by strong ESG consideration, at an earlier stage.

Some of higher scoring names on this metric sold include: Mediatek, Silergy and Koh Young. Some of lower scoring new names bought on this metric include: PDD, Merdeka Copper, Ethos.



### Social

The Social indicator saw a small deterioration as compared with the reference period, falling -0.05 from 6.62 to 6.57 on Current Level and -0.10 from 6.90 to 6.80 on Future Direction. The reasoning for this was split: the Current Level move was mostly owing to up/downgrades within the existing portfolio but the change in the Future Direction score was slightly more caused by portfolio changes.

Notable companies that were downgraded over the review period include TSMC, which was downgraded due to a new accident decreasing the company's peer group ranking, and eMemory displayed higher employee turnover which negatively impacted its human capital score. The Future Direction scores were adjusted down alongside the new Current Level scores for these companies.

More positively, on the portfolio changes side, for Current Level, over the year, the weighted average social level score for stocks sold was 6.27, whilst the weighted average Social level score for stocks bought during the year was 6.80 – a positive spread of 0.53. However, this was not sufficient to fully offset the effect of the upgrades/downgrades.

In the case of Future Direction scores, the weighted average Social Future Direction score for stocks sold was 6.72, and for stocks bought the commensurate score was 6.91.

Some of lowest scoring names on this metric sold include: Alibaba, Samsung SDI, City Developments.

Some of highest scoring new names bought on this metric include: HPSP, MAPI, PDD.

### Governance

This indicator improved very modestly, up 0.02 and 0.03 on Current Level and Future Direction respectively, from 7.25 to 7.27 and 7.30 to 7.33. The small increases were owing to internal upgrades on existing investments during the period.

After the improvements in methodology rolled out last year, the Investment Manager continues to find that the checklist system for additional scrutiny on the key determinants and frequent red flags for governance has resulted in the ability to more thoroughly and tangibly rank and convey the quality of the companies – both existing and prospective. This has been an important contributor to the incremental improvement in scores over this year.

By way of example, two of our Vietnamese holdings, Vinhomes and Vincom Retail, saw their scores increase after the M-score (a key input into our accountancy assessment, which helps to monitor red flags) took into account the full 2022 financial year, reflecting better accounting quality which is a core arm of governance.

There was again a strong spread in the weighted average scores of companies bought vs. those sold. For Current Level, over the year, the weighted average Governance level score for stocks sold was 7.12. Meanwhile, the weighted average Governance level score for stocks bought during the year was 7.60 – a positive spread of 0.48.

Some of lowest scoring names on this metric sold include: Alibaba, JD.com, Landmark.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

Some of highest scoring new names bought on this metric include: SK Hynix, Renesas, Cinema XXI.

In the case of Future Direction scores, the weighted average Governance direction score for stocks sold was 7.19, and for stocks bought the commensurate score was 7.67. The Investment Manager pleased that this is a marker of the Investment Manager's ongoing ability to identify and cycle capital into high quality companies with strong long-term resilience.

#### Business Ethics

The output from the Investment Manager's Business Ethics indicator is very similar to that of Governance, given the use of a more systematic scorecard approach to promote consistency across scores as well as to ensure the core elements of this indicator were being captured in the analysis of all stocks.

The overall outcome at the portfolio level is a small fluctuations to scores, looked at in terms of both upgrades and downgrades and portfolio changes. The Current Level decreased by -0.06 from 6.90 to 6.84 while the Future Direction score increased by 0.06 from 7.03 to 7.09. All changes were due to fluctuations (mainly narrowing) in tax gaps. There have not been any new, material controversies or matters which alter scores owing to a change in risk exposure or mitigating factors which is how the Investment Manager build up our corporate behaviour scorecard.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Investment Manager used an 'Impact on Progress' assessment within the Fund's proprietary Economic Value Added (EVA) Framework to identify and assess investment opportunities that, in the Investment Manager's view, contribute to sustainable environmental and social objectives.

The 'Impact on Progress' assessment is centred around three key pillars (Resource Management, Social Development and Economic Progress) informed by the United Nations Sustainable Development Goals ("UN SDGs"). Each pillar links to corresponding sustainable objectives. Companies were eligible to be considered as a Sustainable Investment if the company's products or services were deemed to contribute to one or more of the Sustainable Investment objectives. For the reference period, the sustainable objectives that the Fund contributed towards are highlighted in the table below.

Sustainable Investment Objective	% of Sustainable Investments in the Fund, categorised by Sustainable Investment Objective <sup>5</sup>
Circular Economy	0.2%
Climate Change	34.5%
Health & Wellbeing	2.4%
Financial Inclusion	0.0%
Sustainable Future Food	0.0%
<b>Total Sustainable investments</b>	<b>37.1%</b>

### TSMC

TSMC contributes to the Sustainable Investment Objective, Climate Change, by manufacturing globally leading semiconductors which are inputs in smart electronics which are key to decouple the link between economic growth and rising energy consumption.

A study by the American Council for an Energy-Efficient Economy (ACEEE) estimates that the difference between a “no growth” in electronic products application and a “accelerated growth” scenario could be as high as 3.27 million GWh of energy saved by 2030, which would correspond to around ~11% of total energy consumption by then.

Assuming TSMC’s market share is the same in 2030, products produced for TSMC’s customers will conserve 0.17 million GWh in 2030 which will be 4 times the amount of energy used in their production.

### Apollo Hospitals

Apollo Hospitals contributes to the Health and Wellbeing Objective through its ownership and management of the largest hospital network in India. It also operates the largest pharmacy platform in India and runs a leading retail healthcare network.

Improved clinical outcomes: Apollo was the pioneer in India of introducing high standards of clinical excellence which saw mortality rates fall from 15% at public hospitals to 2-3%. Apollo benchmarks many clinical outcome metrics to the highest international standards and is on par or better than global peers. There is still significant work to be done to invest in the large infrastructure, investment, human resources and outcome gap India has to the rest of the world. Healthcare spend per capita is US\$73 in India, vs. >\$10k in the US\$, ~ US\$3k in Singapore, US\$850 in Brazil and US\$100-450 across ASEAN.

<sup>5</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an environmental objective. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

Affordability via subsidized pricing. Apollo collaborates with leading financial institutions to provide services at lower rates for those who cannot pay upfront, sometimes with 0% interest. A Harvard Business case review of Apollo described the offering, given the standard of clinical excellence, as ‘First-World Health Care at Emerging-Market Prices’, helping to democratize access to care.

Geographic Access. Apollo, over its close to 40 years, has continued to bring healthcare closer to patients, expanding to areas where quality care was simply not available. From an ongoing programme of hospital rollouts into lower tier cities, which reduces travel time and increases availability of beds to close the supply/demand gap, to committing significant investment in new formats of care, such as home visits, digital consultations, telemedicine, specialist clinics, Apollo has significantly improved access.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm (“DNSH”), assessed each company primarily using third party data, to assess whether it had an adverse impact on the environment and society.

Companies with controversies that have very severe adverse impacts on the environment and society will be excluded from consideration as Sustainable Investments by the Investment Manager.

The Investment Manager used the research of third party providers to provide deeper insights into a company’s compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over the assessment of third party conclusions on a case-by-case basis.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts (“PAI”) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of the Annex 1 Level 2 Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable, Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed



the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

Where, in the Investment Manager's view, a company did not cause significant harm with respect to a specific PAI but the Investment Manager felt there was room for material improvement, it took the required steps to reduce or mitigate the PAI, such as engaging with the company, using the right to vote, seeking to improve disclosure of data by the company, or reducing exposure to the issuer where deemed appropriate or necessary.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing the alignment of portfolio companies with these global norms, and where necessary, conducting further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have severe violations of the UNGC principles and OECD Guidelines using third-party controversy research related to these global norms.

The following are examples of DNSH assessments during the reference period:

**Naver (Human Rights – Owned, now sold).**

Korea corporate culture had been in the news due to reports of 'machoism' being rife in the work place, causing a significant social and mental impact for many younger - particularly female - employees, with up to 80% of working age people surveyed having experienced workplace bullying, and a number of deaths by suicide linked to this environment. This 'macho culture' issue also impacted Naver and caused the Investment Manager to initiate a deeper engagement. The Investment Manager learnt that factors such as the legacy of the Korean war and the strong influence of the very harsh military training that all men have to undertake in Korea has resulted in military culture filtering into the work place, with these historic influences remaining deep-rooted. From discussions with the company, the problems appeared to be very concentrated around a few individuals within Naver, and seemed to have been addressed quickly by the board. The company had recently appointed a new, younger, management team including a female CEO, partly with the intention of their better understanding of young culture.

However, during the Investment Manager's meeting with both the new CEO and CFO at our offices, the Investment Manager was disappointed with the level of energy and conviction they both had on tackling this issue. The management factually stated that the company had needed to make some bold changes, which had been taken positively by the workforce, and that the



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

CEO's focus was on building trust, but stopped short of giving any tangible actions, targets or laying out a roadmap for measurable change, as might reasonably be expected given the 2021 employee suicide. It was stated that it was too soon to see results – though the Investment Manager was left unsure from what initiatives these results would come. The approach seemed to be very light-touch and high-level, rather than something that was a clear imperative for the business with obvious objectives and strategic thought. Stating that another company had more suicides than Naver seemed not to be acknowledging the severity of the internal issue. Simply appointing a female CEO and doing little else that the Investment Manager could observe was not impressive or good enough. This, together with additional fundamental challenges faced by the company, formed a key part of the Investment Manager's rationale in exiting the Fund's holding in the business.

**Anta (Labour: Supply Chain Management – Not Owned).** The Investment Manager engaged with this company by means of an extensive site visit to a number of the company's facilities and its suppliers in Jiangsu, China. This was precipitated by allegations of Anta mistreating its workers in its cotton supply chain, and using forced labour in Xinjiang, which caused a ratings downgrade by an ESG agency. The Investment Manager did not own the company but wished to undertake full, primary research into the situation.

As background, Anta had been the first and only Chinese sportswear firm to join the Better Cotton Initiative (BCI) in 2019, underlining its ESG commitment. In 2021, BCI made a statement that it had suspended its activities in Xinjiang on the back of concerns over the prevalence of labour abuses in the region. BCI's statement was criticized by local officials and social media which put Anta under significant pressure. Anta considered hiring third party international inspecting firms to conduct an audit on its yarn factories in Xinjiang, but discovered none of these international firms were willing to visit Xinjiang. The company evaluated all stakeholders' interests and ultimately decided to withdraw from their BCI membership. Anta swiftly sought alternatives and joined the Sustainable Apparel Coalition (SAC) for broader supply chain monitoring. The company is also a member of UNGC.

MSCI downgraded Anta's ESG score in 2023, due to the exposure to cotton from this region and seemingly due to the company exiting from BCI. According to Anta management, the company has strict labour policies in place and works with partners to educate and ensure their practices on human rights meet the local government requirements. Meanwhile, close peer companies, who are also not members of BCI but who also source cotton from Xinjiang, were not downgraded by MSCI, making the action appear unfair and ratings unequally distributed and incompletely researched.

Anta has embraced the UNGC's 10 principles and issued a Supplier Sustainability Handbook, highlighting their commitment to a zero-tolerance policy. By intensifying ESG scrutiny during supplier selection and conducting annual audits, Anta aims to advance sustainability throughout its supply chain.

On top of ‘zero tolerance’ requirements towards forced labour etc., Anta has set up a supplier score card matrix with clear KPIs and biannual reviews, making assessment of suppliers more systematic and objective. Over the last year, Anta has terminated and consolidated more than 20% of the suppliers that did not meet its requirements due to quality control or ESG issues. Consolidation also helps to improve traceability. Anta will continue to review its portfolio and strengthen the cooperation with top tier suppliers that can even bring in better supply chain management concepts. On the other side, Anta works with suppliers closely to help and guide them to invest in the areas that can drive the achievement of those targets. Anta also hosts a supplier partner forum that can share best practices among its suppliers. The Fund still does not own Anta, but full engagement of this nature on key sustainability subjects for companies within our investment universe is an important part of our process.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### How did this financial product consider principal adverse impacts on sustainability factors?

When assessing a company’s impact on the environment, the Investment Manager considered GHG emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and carbon reduction initiatives. Furthermore, revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. Where material revenues were flagged, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero.

Similarly, where water usage was deemed material to an investee company by the Investment Manager, the Investment Manager sought to encourage the adoption of appropriate water management and water reduction policies.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

The Investment Manager considered the standards of the United Nations Global Compact, the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises, whistleblower protection, and anti-corruption and anti-bribery policies. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

The following is an example of consideration of principal adverse impacts on sustainability factors:

#### Example 1 – PAIs 1-3 GHG emissions, Carbon footprint and intensity – Samsung Electronics:

Samsung Electronics (Samsung) is a South Korean semiconductor and consumer electronics company with global leading market shares in memory semiconductor manufacturing, smartphones, TVs and other consumer electronic goods.

The Investment Manager engaged with Samsung regarding its level of GHG emissions and proposed mitigating actions going forward. The company has set net zero targets on a scope 1+2 basis by 2050, but it was able to clarify that it expects to be at Net Zero by 2030 in the DX division but only by 2050 across the group. Encouragingly this target is predominantly driven by a reduction in gross emissions rather than the use of any carbon offsetting which will only be used as a last resort. Samsung also stated that it will give more Scope 3 disclosure and a Scope 3 target by FY23 – there was a realisation from the company that this data is important and it is preparing a 'readiness' framework consistent with supply chain directives (it has >2000 suppliers so the work required is extensive).

Samsung further explained that whilst implementing SBTi accreditation is a very active conversation internally, the constraint for it is the fact that SBTi adoption mandates emissions reductions of just over 1% p.a. to 2030 and this is incredibly difficult to reconcile with the fact that Samsung is quite a fast growing business. SBTi also does not yet have sector specific guidance for the semiconductor industry. The main bottleneck to achieving reductions is the reliance of the South Korean state on fossil fuels, where currently only 7-8% of South Korean power generation comes from renewables – this is the lowest percentage renewable energy share of any OECD country. This is only likely to rise to 22-23% by 2030 as fossil fuel power remains far cheaper in the country. Samsung intend to be 100% reliant on renewable energy from imported sources by 2027.

Overall Samsung believe its scope 1+2 emissions peaked in 2021, which should mean it is proving it is in fact able to grow rapidly whilst reducing emissions and that its approach to metric adoption and data release has been somewhat slow and cautious. However, it does now appear that this is an issue the company is taking very seriously, committing significant resource to and we are seeing a marked improvement which we hope and expect to continue. We will continue to engage with the company on this basis. The Investment Manager's process favours 'improver' companies which are able to show ongoing progress on ESG issues and thereby derive material operational, financial and real world gains which we believe lead to very attractive share price returns.



While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>6</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>7</sup>
GHG Emissions (TCO2e)	Scope 1	3,933.0	87.2%	29,971.2	99.7%	-86.9%
	Scope 2	3,742.3	87.2%	6,053.1	99.7%	-38.2%
	Scope 1 & 2	7,675.3	87.2%	36,024.3	99.7%	-78.7%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	34.4	87.2%	162.0	99.7%	-78.8%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	106.9	87.2%	337.1	99.7%	-68.3%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	104.9	87.2%	294.2	99.7%	-64.4%
Female Board Representation (%)		18.8	85.8%	18.5	100.0%	1.7%

<sup>6</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI AC Asia ex Japan Total Return Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €128.3m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>7</sup> The figures shown demonstrate the difference in the performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued



#### What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Taiwan Semiconductor	Technology	9.9%	Taiwan
Samsung Electronics	Technology	8.4%	Republic of South Korea
Tencent	Communications	5.2%	Cayman Islands
Reliance Industries	Energy	4.9%	India
AIA	Financial	4.0%	Hong Kong
HDFC Bank ADR	Financial	4.0%	India
Phoenix Mills	Financial	3.9%	India
SK Hynix	Technology	3.2%	Republic of South Korea
PINDUODUO	Consumer Discretionary	3.0%	Cayman Islands
ICICI Bank	Financial	2.6%	India
eMemory Technology	Technology	2.5%	Taiwan
MakeMyTrip	Communications	2.5%	Mauritius
Chroma ATE	Industrial	2.2%	Taiwan
Samsung Engineering	Industrial	2.2%	Republic of South Korea
Samsonite International	Consumer, Cyclical	2.0%	Luxembourg

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023



#### What was the proportion of sustainability-related investments?

##### ● What was the asset allocation?

100% of the companies the Fund invested in were assessed under the Investment Manager's EVA Framework, which is used to assess and deliver the environmental or social characteristics promoted by the Fund.

All investments, excluding cash, attained the characteristics of the Fund on an individual basis over the reference period.

During the reference period, the Fund invested 98.5% of its assets in equity and equity warrants. Therefore, on average 98.5%<sup>8</sup> of the investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund.

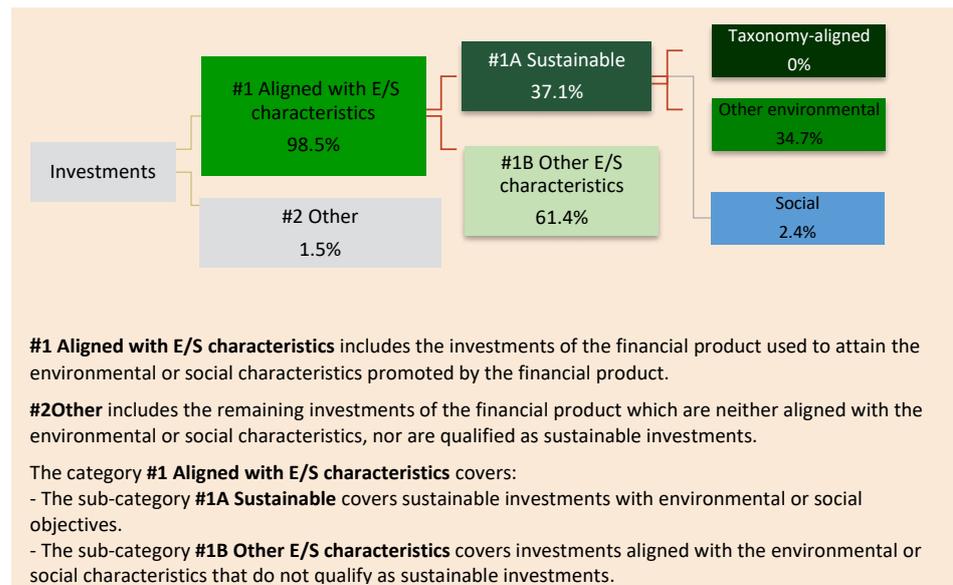
While the Fund does not have sustainable investing as its objective, the Fund invested 37.1%<sup>9</sup> of its assets in Sustainable Investments with an environmental or social objective.

<sup>8</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, aligned with the Fund's characteristics. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December 2023).

<sup>9</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an environmental or social objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December 2023).



Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’, ‘#1A sustainable’ etc.)



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

### In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>10</sup>
Technology	32.4%
Financial	20.3%
Communications	10.5%
Consumer Discretionary	8.0%
Industrial	7.6%
Energy	6.7%
Industrials	3.4%
Health Care	2.6%
Basic Materials	2.3%
Materials	2.0%
Consumer, Cyclical	2.0%
Technology Hardware & Equipment	0.9%
Consumer, Non-cyclical	0.8%

During the reference period the only material exposure to fossil fuels within the Fund was via Reliance Industries in India. Given the large, transformative transition this company is undertaking from a high emissions petrochemicals business to a leader in renewable energy such as solar, battery storage and hydrogen, the Investment

<sup>10</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2023.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee

Manager undertakes additional engagement by means of a long-term collective investor engagement programme under Climate Action 100+ to ensure the company is held to account and there is continued oversight. The Investment Manager co-leads this engagement with other investors and spent significant time during 2023 visiting management at its operations in India.



#### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund’s net assets.

#### ● Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>11</sup>?



Yes:



In fossil gas



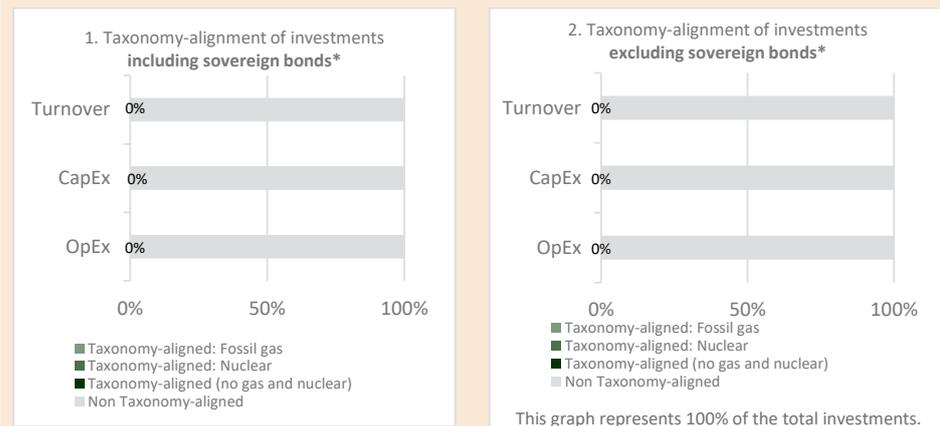
In nuclear energy



No

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation is 0% of the Fund's net assets.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund's net assets.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Over the reference period, the percentage of Sustainable Investments with an environmental objective not aligned with the EU taxonomy was 34.7.<sup>12</sup>

<sup>12</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an environmental objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

In order to satisfy itself that an investment is environmentally sustainable pursuant to the Taxonomy Regulation, the Investment Manager must (a) determine whether or not the investments underlying the Fund are in environmentally sustainable activities (b) identify the extent to which the investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation; (c) identify the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable activities which are aligned with the Taxonomy Regulation; and (d) identify the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

At the present time, the Investment Manager cannot satisfy itself that the Fund's investments meet the criteria outlined above. Accordingly, the proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation is 0% of the Fund's net assets.



#### What was the share of socially sustainable investments?

During the reference period the percentage of Sustainable Investments with a social objective within the Fund was 2.4%.<sup>13</sup>



#### What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period, an average of 1.7% of the Fund's investments were identified as #2 Other in the above diagram and were held in cash for liquidity purposes in line with the Fund's Investment Policy. There are no minimum environmental or social safeguards applicable to these investments.<sup>14</sup>



#### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Using company specific knowledge and often engagement with company representatives, the Investment Manager assesses every prospective investee company, prior to purchase, using the Investment Manager's Proprietary quantitative Economic Value Added (EVA) Wheel Model. The Investment Manager used the EVA Wheel to evaluate how investee companies contributed to future sustainable economic development (its Impact on Progress), how a company managed its key risks and opportunities from an ESG perspective (its Material ESG Issues) and how a company ensures it acted as a responsible

<sup>13</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with a social objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>14</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, not aligned with the Fund's characteristics. The average is calculated as a simple average of the percentage of the Fund's assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.



corporate citizen (its Business Ethics). Each company was assigned a quantitative score based on these three areas. The Investment Manager carried out this evaluation using a variety of sources, including information and data published by the companies themselves and third party data and research providers. Every prospective investment was also assessed against the Fund's exclusion criteria.

The following are engagement examples carried out during the reference period:

#### **Merdeka Copper Gold**

The Investment Manager has followed Merdeka Copper Gold for a number of years and part of the Investment Manager's visit to operations on the ground in rural Indonesia was in order to perform a further assessment of the company's ESG practices on a deep-dive basis. The company is committed to a net zero 2050 target and, prior to that, reducing GHG emissions by 29% by 2030. It is already using a lot of renewable energy from geothermal sources, and has some solar capacity. The Tujuh Bukit mine will use 100% renewable energy from this year. The company's carbon offsetting program, which includes significant mined land rehabilitation and mangrove restoration, which also enhances biodiversity, was also encouraging to see. Impressively the company's water data is linked to the government's environmental office in real time, so it has very close ties to the authority which is responsible for the ongoing work on permitting for environmental issues. There is more to come from Merdeka on these kind of improvements but the progress and action so far is an encouraging mark of management attention here – indeed ESG factors are part of the executive compensation structure. There are undeniably some high risk ESG issues, but they are being well managed and mitigated.

#### **Reliance Industries:**

The Investment Manager remains a co-lead investor of a long-term collective investor engagement programme under Climate Action 100+ to ensure the company is held to account and that there is continued oversight given the large, transformative transition this company is undertaking from a high emissions petrochemicals business to a leader in new energy such as solar, battery storage and hydrogen. The Investment Manager spent significant time during the review period visiting management at the company's operations in India. During this time management expressed confidence in being able to achieve their net zero target by 2035 even ahead of time, though currently the company is maintaining focus on execution, reducing unit costs of energy and moving into wind to increase up-time and solve for critical round-the-clock power and predictability.

Compared to the previous year, we note that Reliance Industries' decarbonization strategy took shape as the company identified the set of actions and investments it intends to undertake to achieve its GHG reduction targets. Capital expenditure in the New Energy Business is on track to reach 10GW of solar module manufacturing capacity by 2024, and 20GW by 2026, with battery capacity for large scale energy storage to reach 5GWh by 2024 and 50GWh by 2027. Moreover, Reliance Industries expanded its plans when it comes to renewable power generation, reiterated its commitment to further investment in India's energy transition and welcomed partnerships with international investors. On the consolidated level, FY 2022 emissions performance showed



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Asian Stars Fund continued

improvement year on year with some reduction across most GHG metrics. However, outside of its digital services business, Reliance Jio, detailed TCFD aligned segment reporting is yet to be achieved.

Based on preliminary TPI/FTSE Russell assessment results, Reliance Industries' commitment towards alignment of disclosures with TCFD recommendations has been recognized, although more needs to be done in terms of standardization. On the positive side, additional steps were taken by the company during the review period including the announced Board Committees overhaul that the Investment Manager tends to attribute, in part, to the engagement group efforts, including a letter sent by one of the participants. The new ESG Committee is set to 'review progress towards meeting the Group's ambitions regarding its Net Carbon Footprint, Climate Change, Circular Economy, the Energy Transition and inclusive growth'. It should, at least partially, meet the requirements under the TPI's Indicator 8: Climate Governance. The Investment Manager continues to be very active with the group engagement, and will continue to engage as per the established plan recalibrated for 2024 in accordance with the CA100+ Net Zero Company Benchmark.



#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Biotechnology Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – Biotechnology Fund (the “Fund”)

**Legal entity identifier:** 5493006Y2HTKJGMQ4Y29

### Sustainable

**investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 96.0% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Fund invested in companies within the healthcare investment universe that contributed to:

- (i) Improving of clinical outcomes for patients through innovation,
- (ii) Improving of the affordability and accessibility of healthcare services; and
- (iii) Improving of the efficiency of the delivery of healthcare services.

By investing in these companies, the Investment Manager believes that the Fund contributed to Goal 3 of the United Nations Sustainable Development Goals (UN SDGs)

### Sustainability

**indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

which is to “ensure healthy lives and promote well-being for all at all ages”. The UN SDGs are part of the United Nation’s 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, and comprise 17 goals which aim to tackle the world’s approach to the environmental and social matters. The full list of the 17 UN SDGs can be found at <https://sdgs.un.org/goals>.

For the avoidance of doubt, the Fund invested in companies within the healthcare investment universe whose products and services did not, in part or in whole, contribute to the promoted characteristics outlined above where the Investment Manager is of the opinion that such an investment offered investment opportunities for the Fund.

#### ● **How did the sustainability indicators perform?**

The Investment Manager monitors the Fund’s attainment of its characteristics by evaluating the portfolio’s weighted exposure to each of the three promoted characteristics listed above.

The Investment Manager’s calculation of the Fund’s portfolio weighted exposure takes account of both revenue and operational expenditure exposure to the characteristics for commercial stage companies (i.e. companies which have taken their product or service to market, commercialised their product or service or which receive revenues from already commercialised products or services) and of actual or proposed operational expenditure exposure to the characteristics for precommercial stage companies (i.e. companies which are still in the development stage conducting pre-clinical testing and clinical trials of their product). The Investment Manager also accounts for instances in which an investee company’s revenue and/or operational expenditure is exposed to more than one of the social characteristics described above.

Over the reference period, a weighted average of 89.9% of the revenue or operational expenditure of the Fund’s assets was exposed to products, services or activities aligned with the three promoted characteristics (which is calculated by taking an average of the quarters ended March, June, September and December 2023)<sup>1</sup>.

<sup>1</sup> This shows the percentage revenue or operational expenditure exposure of the Fund’s assets, including cash, on a portfolio weighted basis, to the characteristics promoted by the Fund. The average is calculated as a simple average of the Fund’s percentage exposure as at 31 March, 30 June, 30 September and 31 December. In calculating the average, the Investment Manager may use operational expenditure rather than revenue, to calculate an investee company’s alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company’s alignment with the characteristics.



	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average <sup>2</sup>
Characteristic 1 Improve clinical outcomes for patients through innovation	86.4%	86.4%	86.2%	87.6%	86.6%
Characteristic 2 Improve the affordability and accessibility of healthcare services	0.8%	0.6%	0.6%	0.9%	0.7%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	2.5%	2.9%	2.5%	2.2%	2.5%
Overall Alignment	89.7%	89.8%	89.3%	90.6%	89.9%

Apart from minor fluctuations quarter to quarter, the alignment to each of the distinct characteristics of healthcare delivery has remained relatively constant over the period. For the Fund, the overwhelming focus is expected to be on Characteristic 1 (Improving clinical outcomes for patients through innovation) as this is the key purpose of the industry. Where companies make significant effort to innovate and push strategies for affordability and accessibility of their medicines, the Investment Manager aims to reflect this with partial alignment with Characteristic 2. For example, investment in vaccine companies is expected to be the way in which Characteristic 2 can best be represented, and the alignment here will move with underlying investment in companies developing vaccines to prevent disease, rather than therapies used to treat disease.

As of the date of this report, 0% of the Fund's investments failed the exclusion criteria.

● **...and compared to previous periods?**

	2022 Average
Characteristic 1 Improve clinical outcomes for patients through innovation	88.8%
Characteristic 2 Improve the affordability and accessibility of healthcare services	0.5%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	2.8%
Overall Alignment	92.1%

The Fund's sustainability indicators are not subject to assurance by an auditor or review by a third party.

<sup>2</sup> The Fund's average exposure to each characteristic is calculated by taking a simple average of the quarterly exposures. The average exposure to each characteristic on a quarterly basis is calculated by taking a portfolio weighted average of the exposure.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Fund commits to a minimum proportion of 50% of its investments as Sustainable Investments. The Investment Manager considered a company eligible as a Sustainable Investment if the company contributed to the objectives:

- (i) improve clinical outcomes for patients through innovation;
- (ii) improve the affordability and accessibility of healthcare services; and
- (iii) improve the efficiency of the delivery of healthcare services.

Companies held by the Fund were aligned to the three sustainability objectives in a variety of ways. Examples of how the Investment Manager established an investee company's contribution to a sustainable investment objective are provided below.

Investee companies were deemed to contribute to improving clinical outcomes, where they derived a sufficient portion of their revenues from or committed a sufficient proportion of their operational expenditure to, activities such as drug discovery, the research and sale of new drugs, the sale of over the counter products and the sale of diagnostic tools and services.

Investee companies were deemed to contribute to improving the affordability and accessibility of healthcare where they derived a sufficient portion of their revenues from, or committed a sufficient proportion of their operational expenditure to, activities such as the manufacture of generic medicines and the provision of health insurance services.

Investee companies that derived a sufficient portion of revenues from activities such as hospitals and other healthcare facilities were aligned with the improving the efficiency of delivery of healthcare services objective.

Once an investee company's alignment with a sustainable investment objective has been established, the Investment Manager will then also confirm that it passes the Do No Significant Harm test referred to in the section below and that it followed good governance practices.

Over the reference period, an average of 96% of the Fund's investments were classified as Sustainable Investments.<sup>3</sup> Although on average the revenue alignment of biotechnology companies held during the reference period to the sustainability objectives was high, some sources of revenue were not considered to be aligned, such as medical aesthetics and non-healthcare business segments, such as electronics manufacturing. While these revenue sources were not considered sustainable, a company that generated some revenues from activities not aligned to the three sustainability objectives outlined above was still eligible to be considered

<sup>3</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



as a Sustainable Investment overall if the company also had business segments that were positively aligned to the sustainability objectives.

Examples of investments in the Fund and their alignment to the three sustainability objectives outlined above are detailed below.

Some companies held by the Fund showed strong alignment to a single objective. An example of this is a research-stage biopharmaceutical company (Day One Pharmaceuticals) focused on the development of a new medicine to treat a common form of childhood brain cancer. As a pre-revenue generating company, it spends approximately 60% of its operating expenses on medical R&D, which, alongside encouraging early clinical trial results for its medicine, meant the Investment Manager deemed it to be aligned with the improving clinical outcomes through innovation objective.

Other companies held demonstrated alignment to more than one sustainable objective through their respective businesses. A commercial stage biopharmaceutical company (Alnylam Pharmaceuticals) focused on the development of, and generated its revenues from, the commercialisation of medicines for a range of rare diseases. Over the years the company has been successful in developing several new medicines that materially improve outcomes for patients. The company has also proactively implemented an innovative pricing model for its medicines that introduces risk/cost sharing with payers. For this reason, the Investment Manager views the investment as being aligned to both improving clinical outcomes through innovation as well as improving the affordability and accessibility of healthcare.

Some companies held in the portfolio were aligned with multiple sustainable objectives through their combined efforts in research and development, as well as through generating revenues aligned with the three objectives. Two such cases are a commercial stage biopharmaceutical company (Valneva and Bavarian Nordic) that are both focused on the development and commercialisation of vaccines to prevent a range of viral diseases. The companies have strong histories of developing and commercialising several new medicines for the traveller's and local outbreak markets respectively and each has a pipeline of programmes against endemic viruses that pose a growing threat, partly through climate change. With vaccines being one of the most powerful tools available to prevent, rather than treat, disease, the Investment Manager assessed the investment as mostly aligned to the improving the efficiency of healthcare delivery objective. However, the company's efforts in research and novel innovation were also recognised through the Investment Manager's assessment, and a smaller alignment weighting was allocated to the improving clinical outcomes through innovation objective.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), assessed each company primarily using third-party data, to assess whether it had an adverse impact on the environment and society.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

Companies with controversies that had very severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

The Investment Manager used the research of third-party providers to provide deeper insights into a company's compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over whether an investee company had significantly harmed an environmental or social objective.

— — — *How were the indicators for adverse impacts on sustainability factors taken into account?*

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts ("PAI") indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 Level 2 of the Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have severe

violations of the UNGC principles and OECD Guidelines using third-party controversy research related to these global norms.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

When assessing a company’s impact on the environment, the Investment Manager considered greenhouse gas (“GHG”) emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives. Where material, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero.

The Investment Manager considered investee companies’ exposure to the fossil fuel sector by evaluating their revenue breakdown using third party data. In line with the Fund’s stated exclusions, 0% of the Fund’s investee companies had revenues attributed to the fossil fuel sector over the reporting period.

Companies in the Healthcare sector have substantially lower energy and carbon intensities than market averages, so carbon emissions are on average much lower than most other industries. To illustrate this, the Scope 1 and 2 carbon emissions footprint of the Fund in TCO<sub>2e</sub>/EVIC AUM measured roughly around 4% of the MSCI ACWI Index as a whole as at 31 December 2023<sup>4</sup>.

Despite low industry emissions, GHG emissions of investee companies were evaluated using either company reported data, or where this was not disclosed, through third party estimates based on business segment.

This emissions data was referenced against the Fund’s benchmark and the Healthcare sub-sector in which the investee company operates to identify those in sectors having a high impact on the climate. When these emissions were flagged as being above a certain

<sup>4</sup> Source: MSCI Climate Change Metric: GHG emissions footprint. Where 100% coverage of a metric is not available, the Fund and index figures are estimated as if 100% coverage had been achieved and calculated on the basis of existing data coverage figures.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

threshold, the Investment Manager assessed whether the company had a carbon strategy in place, and the sophistication of that strategy, for example, whether the company measures and reports its carbon emissions, whether the company has a mitigation or reduction strategy in place, whether that strategy or target is independently verified by a reputable third party such as the Science Based Targets Initiative (SBTi), and whether the company's historic emission trend is on track with the reduction target.

Regarding remuneration practices, in particular as it relates to corporate executive remuneration, the Investment Manager continued to engage with companies primarily as part of the annual proxy voting process. For the second year in a row, the Investment Manager's third-party shareholder proxy voting advisor flagged potential issues with the Equity Incentive Plan of NanoString Technologies.

In mid-2023, the company reached out to major shareholders to offer discussion around the principles and calculations behind the plan, and after discussion with the company, the Investment Manager believed the company's plan was on balance appropriate for a growth business where attraction and retention of talent is contingent on relatively attractive incentives that offer employees equity ownership in the business.

The Investment Manager considered the standards of the United Nations Global Compact (UNGC), and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises (OECD). If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

Every investee company was assessed for severe controversies and allegations of UNGC norms violations using data and information provided by third party data providers or independently sourced by the Investment Manager. When deemed material, the issue was investigated further with an in-depth review of the specific circumstances. During the reference period, no companies were assessed to have failed the UNGC standards.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>5</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>6</sup>
GHG Emissions (TCO2e)	Scope 1	1,034.1	86.9%	1,577.2	90.4%	-34.4%
	Scope 2	1,831.7	86.9%	2,466.0	90.4%	-25.7%
	Scope 1 & 2	2,865.7	86.9%	4,043.2	90.4%	-29.1%
Carbon Footprint (TCO2e/€m Invested)	Scope 1 & 2	2.0	86.9%	2.8	90.4%	-28.7%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	23.3	86.9%	20.0	90.4%	16.4%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	30.9	86.9%	23.0	90.4%	34.2
Female Board Representation (%)		33.2	92.2	30.9	96.4	7.5%



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments <sup>7</sup>	Sector	% Assets	Country
Regeneron Pharmaceuticals	Medical-Biomedical/Gene	6.5	United States
Argenx	Medical-Biomedical/Gene	5.2	Netherlands
Rhythm Pharmaceuticals	Medical Products	4.9	United States
Biogen	Medical-Biomedical/Gene	4.8	United States
Blueprint Medicines	Medical-Biomedical/Gene	4.7	United States
Celldex Therapeutics	Medical-Biomedical/Gene	4.4	United States
Vertex Pharmaceuticals	Medical-Biomedical/Gene	4.4	United States
Xenon Pharmaceuticals	Medical-Biomedical/Gene	4.2	Canada
Intra-Cellular Therapies	Medical-Biomedical/Gene	4.1	United States
Amgen	Medical-Biomedical/Gene	4.0	United States
Apellis Pharmaceuticals	Medical-Biomedical/Gene	3.7	United States
Zealand Pharma	Medical-Drugs	3.4	Denmark
Scholar Rock Holdings	Medical-Biomedical/Gene	3.2	United States
Supernus Pharmaceuticals	Medical-Drugs	3.1	United States
Swedish Orphan Biovitrum	Medical-Biomedical/Gene	2.4	Sweden

<sup>5</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI AC World Daily Total Return Net Health Care Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €1,453.1m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note these figures are provided for comparative and illustrative purposes only and should not be relied upon. The figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>6</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

<sup>7</sup> The top 15 largest holdings as at 31 December 2023.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued



#### What was the proportion of sustainability-related investments?

##### ● *What was the asset allocation?*

**Asset allocation** describes the share of investments in specific assets.

The Fund primarily sought to invest in companies within the healthcare investment universe. The Investment Manager assessed 100% of the companies in the Fund for revenue alignment towards the Fund's promoted social characteristics.

During the reference period, a weighted average of 89.9% of the revenue or operational expenditure of the companies invested in were exposed to products, services or activities aligned with one or more of the three promoted characteristics<sup>8</sup>.

While the Fund does not have sustainable investment as its objective, the Fund invested 96.0% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they were deemed by the Investment Manager to contribute to the sustainable investment objectives identified above and passed the Do No Significant Harm test and followed good governance practices.<sup>9</sup>

<sup>8</sup> This shows the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics. The average is calculated as a simple average of the Fund's percentage exposure as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December). In calculating the average, the Investment Manager may use operational expenditure rather than revenue, to calculate an investee company's alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company's alignment with the characteristics.

<sup>9</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

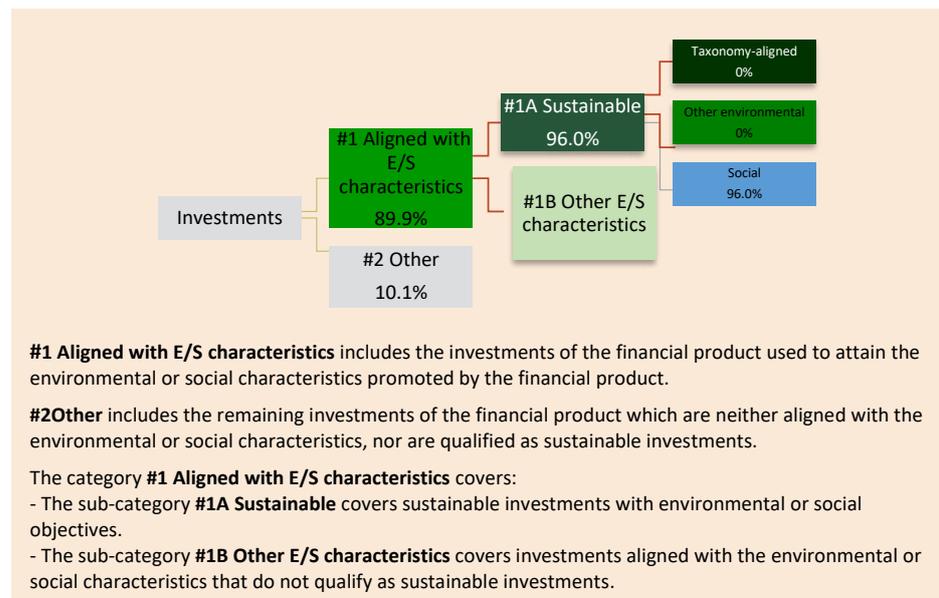


To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)<sup>10</sup>



<sup>10</sup> Please note that the Sustainable Investments figure may be greater than the E/S characteristics alignment figure. This is due to the E/S characteristics alignment figure being the percentage revenue or operational expenditure exposure of the Fund’s assets, including cash, on a portfolio weighted basis, to the Fund’s characteristics, whereas the full weight of a portfolio holding is considered a Sustainable Investment if it meets the criteria to be considered a Sustainable Investment.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>11</sup>
Medical-Biomedical/Gene	28.7%
Health Care	13.8%
Medical Products	13.3%
Medical-Drugs	9.2%
Medical-Hospitals	5.7%
Commercial Services	4.6%
Diagnostic Kits	4.1%
Medical Labs & Testing Services	3.5%
Drug Delivery Systems	3.0%
Medical Information System	2.7%
Enterprise Software/Serv	2.3%
Health Care Cost Contain	1.9%
Medical Imaging Systems	1.5%
Medical Instruments	1.4%
Containers-Metal/Glass	1.3%
Pharmaceuticals	1.2%
Medical-Outpatient/Home Med	1.2%
Healthcare-Products	0.6%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>12</sup>?**

Yes:

In fossil gas     In nuclear energy

No

<sup>11</sup> This figure shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023.

<sup>12</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



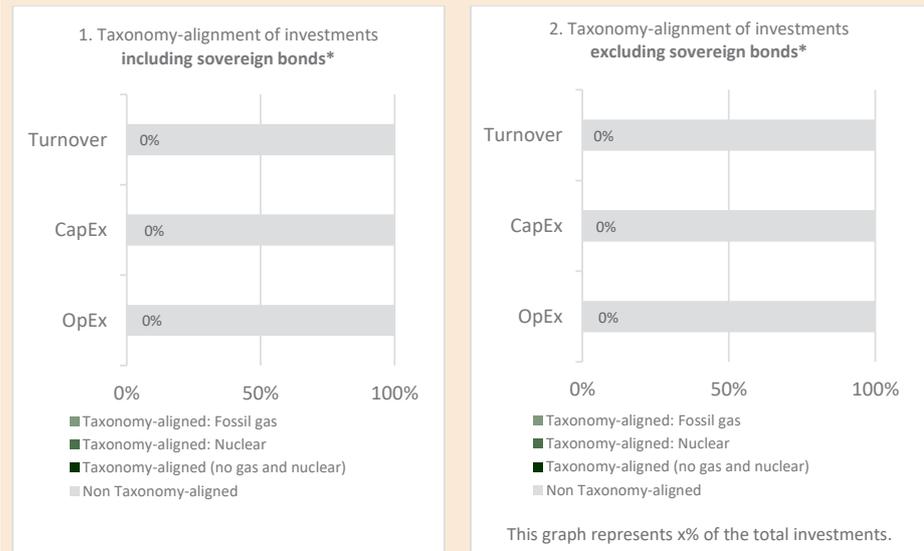
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in Sustainable Investments with an environmental objective, including environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund's Sustainable Investments are aligned to the sustainability objectives outlined above and are considered by the Investment Manager to be socially Sustainable Investments.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

The Fund invested 96% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they met the revenue threshold contributing to the sustainability objectives and passed the Do No Significant Harm test and followed good governance practices.<sup>13</sup>



#### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund’s investments identified as #2 Other in the above diagram were made up of portions of revenues or expenditure of companies the Fund had invested in that were not aligned with the promoted characteristics of the Fund and cash held for liquidity purposes.

During the reference period, an average of 10.1% of investments were not aligned with the promoted characteristics of the Fund.<sup>14</sup>

All equity investments are subject to minimum environmental or social safeguards through the Fund’s exclusion criteria.

The Fund held cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these holdings.



#### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager’s methodology for assessing whether an investment contributes to a sustainable investment objective is harmonised with the assessment of its social characteristics.

Detailed examples of how companies held during the reference period were assessed and aligned with the Fund’s characteristics and the sustainable investment objectives contributed to by the Fund are given above in the section “What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?”.

Using their sector expertise, company specific knowledge and often, engagement with company representatives, the Investment Manager assesses investee companies for revenue alignment or, where the company is at pre-revenue stage, operational

<sup>13</sup> This figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>14</sup> This figure shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the characteristics promoted by the Fund. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.

expenditure alignment, with the characteristics and sustainable investment objectives described above.

Every prospective investment was also assessed against the Fund's exclusion criteria.

As well as pre-trade exclusion checks, a quarterly oversight review ensured compliance with the Fund's exclusion parameters.

At AGMs or shareholder meetings, the Investment Manager reviewed the resolutions and documented voting intentions and any resultant engagements with investee companies.

Stewardship activities, including voting, interactions with companies, and follow up engagements emanating from this assessment were documented. Monitoring of any ESG issues and controversies was undertaken during the reference period and is ongoing.

By way of example, access and affordability of commercialised medicines, as well as efforts to address diversity and inclusion in medical research have recently been discussed with ArgenX, a company where the Investment Manager has frequent open dialogue as long-standing supporters and providers of primary balance sheet capital. The company has adopted a global pricing strategy to ensure fair and equitable access to the company's first medicine, Vyvgart, for the treatment of myasthenia gravis and potentially additional autoimmune diseases. Commercial adoption has been rapid which is a testament to the strength of the clinical trial research as well as an appropriate commercialisation strategy.

In addition, the Investment Manager in early 2023 raised the topic of diversity and inclusion in the context of equitable patient access to the company's clinical trials efforts with the company's head of investor relations. The company does not flag for poor execution on this issue, in fact, it demonstrates a high standard and quality on most of the Fund's ESG engagement metrics. The discussion was useful for providing an open and valuable insight on best practice, and understanding more on structural issues that may make progress on this issue difficult across the industry, not just for this company in particular.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmarks has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Biotechnology Fund continued

- ***How did this financial product perform compared with the reference benchmark?***  
No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.
- ***How did this financial product perform compared with the broad market index?***  
No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## China Stars Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc - China Stars Fund (the "Fund")

**Legal entity identifier:** 549300CJYC75WWHYIR44

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Fund primarily invested in issuers situated in or with material exposure to Greater China that can remain competitive and deliver attractive profitability over the long term due to robust fundamental characteristics, but only where these robust fundamental characteristics were combined with positive environmental, social and governance ("ESG") profiles based on the Investment Manager's proprietary analysis.

The Fund excluded companies that had an unacceptable or controversial ESG profile following the application of quantitative and qualitative analysis by the Investment Manager and through the use of the Fund's exclusions list.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### China Stars Fund continued

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

#### ● **How did the sustainability indicators perform?**

The Fund achieved its sustainability characteristics across all indicators during the reporting period.

As at the date of this report, 0% of the Fund's investments failed the Fund's exclusion criteria.

The Investment Manager evaluated the Fund's performance on the characteristics through scores in five specific areas of sustainability, including how a company contributed to future sustainable economic development (its 'Impact on Progress'), how a company managed its key risks and opportunities from an ESG perspective (its 'Material ESG Issues' – broken down into three separate areas: 'Environmental', 'Social' and 'Governance') and how a company ensured it acted as a responsible corporate citizen (its 'Business Ethics'). Each company was assigned two quantitative scores from 1-10 based on these five areas, one on a 'Current Level' basis and another on a 'Future Direction' basis.

The company's scores in these five areas are then taken together to provide the Investment Manager with a company's 'Sustainability Delta', which shows the holistic profile of a company from a sustainability perspective.

A summary of the headline scores for 2023 is shown below<sup>1</sup>:

	Current Level	Future Direction
<b>Impact on Progress</b>	6.89	6.80
<b>Environmental</b>	5.86	6.09
<b>Social</b>	6.58	6.38
<b>Governance</b>	6.98	6.47
<b>Business ethics</b>	7.24	6.79

#### ● **...and compared to previous periods?**

A comparison of the headline scores for 2022 and 2021 is shown below<sup>2</sup>. Please note that the Fund's sustainability indicators were updated during 2022 to incorporate both 'Current Level' and 'Future Direction' scores for each

<sup>1</sup> The table shows the average score of the Fund, excluding cash, across the five sustainability indicators of the Fund over the reference period. The average is calculated as a simple average of the Fund's quarterly portfolio weighted scores as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>2</sup> The figures show the average scores of the Fund, excluding cash, across the five sustainability indicators of the Fund over the relevant reference periods. The average is calculated as a simple average of the Fund's quarterly portfolio weighted scores as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



sustainability indicator. The Fund did not consider 'Future Direction' as a sustainability indicator in 2021 and, as a result, there are no 'Future Direction' scores for 2021:

	2021 Current Level	2022 Current Level	2022 Future Direction
<b>Impact on Progress</b>	6.6	6.80	6.63
<b>Environmental</b>	6.4	5.82	5.88
<b>Social</b>	6.4	6.62	6.29
<b>Governance</b>	6.4	6.86	6.27
<b>Business ethics</b>	6.9	7.24	6.54

#### Impact on Progress

The Fund's positive bias in Impact on Progress increased further in 2023, as the Investment Manager increased the size of investments in existing companies with high exposure to industrial automation and robotics, electric vehicle production, and digital technology industries. These companies are well aligned with the long-term transition towards a more sustainable and fairer economy and society. The score was further boosted by addition of new investments in companies such as StarPower Semiconductor, which is a key enabler and beneficiary of the growth in electric vehicles and renewable energy.

#### Environmental

The Fund's Environmental score improved slightly over the reference period. These changes were primarily driven by reduced total investments in sectors including construction, food manufacturing and retailing with higher environment footprint.

By some distance the largest negative effects here came from Alibaba and Tencent, due to a combination of poor disclosure, very poor greenhouse gas ("GHG") emissions intensity versus peers and behind trend initiatives on energy mix and data centre management. The positive is that both companies have made significant commitments to improvement in this area, with stated net carbon zero targets.

#### Social

The portfolio's social score dropped marginally but maintained a strong overall positive bias. The Fund's increased investments in consumer goods companies with low social impact was a key driver of the modest decline. One notable example is our sizable new investment in Pinduoduo (PDD), a leading value-driven e-commerce retailer with growing global presence. Due to its relatively short company history and strong emphasis of providing compelling value to its vast consumer user base through direct sourcing, technology and efficiency gains, its disclosure on its human capital management and supply chain management still has a lot of room for improvement.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### China Stars Fund continued

#### Governance

The Fund’s Governance score saw another year of material improvement, mainly due to Fund turnover in which the Investment Manager switched from lower rated companies to higher rated ones, as it took advantage of the downcycle to trade up in management quality. The Fund is made up of well-aligned owner-operated investee companies with high integrity and strong track records. These companies not only score highly on alignment and long-term incentives but also have a good history and established structures to ensure minority shareholders are treated fairly. A notable example is Hefei Meiya Optoelectronic Technology which designs, manufactures, and sells advanced detection and sorting equipment for agriculture, healthcare, and industrial clients. It is still more than 70% owned by the founder and senior management team, pays almost 100% earnings to shareholders in the form of dividends and has organically grown the business consistently with successful expansion into new end markets without acquisitions.

#### Business Ethics

The Fund’s Business Ethics score stayed roughly the same. Good businesses understand that behaving as a good corporate citizen is not only a moral obligation but also serves the long-term orientated profit motive. For the avoidance of doubt, neither the Fund’s sustainability indicators nor the Fund’s performance on those indicators are subject to assurance by an auditor or review by a third party.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

The Fund did not consider principal adverse impacts on sustainability factors during the reference period.



### What were the top investments of this financial product?

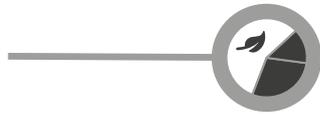
The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Tencent	Communications	9.2	Cayman Islands
PINDUODUO	Consumer Discretionary	4.5	Cayman Islands
China Construction Bank	Financial	4.5	People's Republic of China
Taiwan Semiconductor	Technology	4.5	Taiwan
Alibaba Group	Communications	4.4	Cayman Islands
Midea	Consumer, Cyclical	4.1	People's Republic of China
Shenzhen Inovance Technology	Industrial	4.0	People's Republic of China
Huazhu ADR	Consumer Discretionary	3.4	Cayman Islands
Hefei Meiya Optoelectronic Technology	Industrial	3.0	People's Republic of China
Meituan Dianping Class B	Communications	3.0	Cayman Islands
Jiangsu Hengrui Medicine	Consumer, Non-cyclical	2.4	People's Republic of China
Hong Kong Exchanges & Clearing	Financial	2.3	Hong Kong
Jiangsu Hengli Hydraulic	Industrial	2.1	People's Republic of China
Hongfa Technology	Industrial	2.1	People's Republic of China
BYD	Consumer, Cyclical	2.0	People's Republic of China



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### China Stars Fund continued



**Asset allocation** describes the share of investments in specific assets.

#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

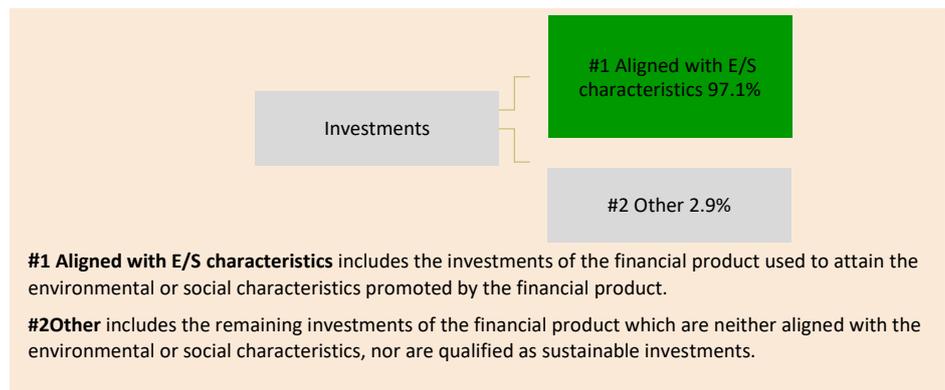
- **What was the asset allocation?**

100% of the companies the Fund invested in were assessed under the Investment Manager’s EVA Framework, which is used to assess and deliver the environmental or social characteristics promoted by the Fund.

All investments, excluding cash, attained the characteristics of the Fund on an individual basis over the reference period.

During the reference period the Fund averaged 97.1% in equity and equity warrants. Therefore, on average 97.1%<sup>3</sup> of the investments of the Fund attained the environmental or social characteristics promoted by the Fund.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)*



<sup>3</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, aligned with the Fund’s characteristics. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>4</sup>
Communications	23.6
Industrial	15.3
Financial	14.5
Consumer, Non-cyclical	11.6
Technology	10.9
Consumer Discretionary	10.7
Consumer, Cyclical	8.2
Materials	1.5
Real Estate	1.5
Energy	0.8
Health Care	0.5
Industrials	0.4

0% of the Fund's investee companies had exposure to fossil fuel related activities.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>5</sup>?**



Yes:



In fossil gas



In nuclear energy



No

<sup>4</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

<sup>5</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

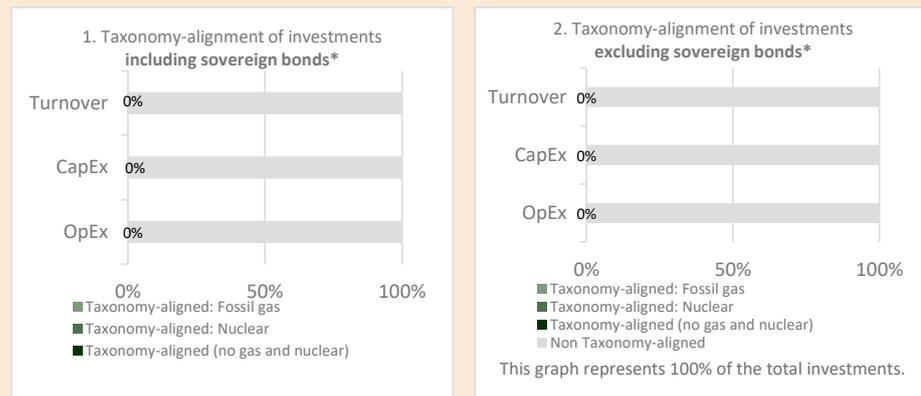
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## China Stars Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in sustainable investments with a social objective.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

Over the reference period, an average of 4.2%<sup>6</sup> was held in cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these investments.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The assessment of sustainability factors is not a one-time event and does not stop at the point of purchase. Ongoing engagement and monitoring are a constant and valuable part of the Investment Manager’s work, as it is very focused on how companies see the future and how they allocate capital accordingly to mitigate risk and benefit from revenue opportunities as part of a sustainable future. These are the types of companies that will score highly on the Investment Manager’s proprietary framework.

In this way, the Investment Manager views engagement as entirely integrated with its ongoing, fundamental dialogue with the Fund’s investments. The Investment Manager holds hundreds of meetings each year alongside site visits, meetings with competitors, suppliers, customers, industry experts and lower-tier employees as part of its ongoing engagement and due diligence. Engagement can take the form of meetings, calls, emails or voting as a shareholder.

The Investment Manager aims to be regular and proactive in its efforts rather than only engaging post an ESG ‘event’. However, there are a few situations each year where the Investment Manager feels it can add value as minority shareholders through more active forms of engagements.

In circumstances where a company is involved in a negative and material ESG incident which compromises the integrity of the whole business, or, less dramatically, where the Investment Manager loses confidence in its investment thesis owing to an issue related to ESG practices and therefore its belief in a company’s ability to generate long-term sustainable EVA, or its comfort with it as a corporate citizen, its policy is to immediately divest.

An example of a highly active engagement during the reporting period is given below.

Anta Sports is a leading sportswear company with a portfolio of strong brands and run by a great management team. Supply chain management in sportswear is a focused area for investors, through the Investment Manager’s proprietary research on its business practice and strategy, it is confident that Anta has a strong existing framework to maintain high degree of supply chain integrity and also strong commitment to improve it further, benchmarked against the industry’s best practise. The investment manager conducted an

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<sup>6</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the Fund’s characteristics. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### China Stars Fund continued

in depth three-day ESG focused diligence tour with Anta in the summer of 2023. During the diligence process, the Investment Manager tested and verified its supply chain management system, interviewed its highly professional and growing dedicated ESG team with a strong global background, and welcomed the senior management team's commitment to maintain its leadership position in ESG issues among its industry peers. Through these highly engaged dialogues, the Investment Manager enhanced its assessment of the ESG profile of Anta, gained confidence in the company's ability to growth sustainability in the long-term, and extended its understanding of the forward-looking corporate culture and management leadership.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Emerging Market ex-China Stars Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc - Emerging Market ex-China Stars Fund (the “Fund”)

**Legal entity identifier:** 549300MXDQZCPHQUTF73

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 40% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies primarily situated in emerging markets that have the ability to remain competitive and deliver attractive profitability over the long term due to robust fundamental characteristics, but only where these robust fundamental characteristics were combined with good or improving environmental, social and governance (“ESG”) profiles based on the Investment Manager’s proprietary analysis.

The Fund had a bias towards companies with improving sustainability profiles, based on the Investment Manager’s proprietary analysis.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

The Fund excluded companies that have an unacceptable or controversial ESG profile following the application of quantitative and qualitative analysis by the Investment Manager and through the use of the Fund's exclusions list.

The Investment Manager determined a security had met the characteristics of the Fund if it scored equal to or greater than 5 on its proprietary 'Sustainability Delta' scoring framework.

All investments attained the characteristics of the Fund on an individual basis over the review period.

#### ● **How did the sustainability indicators perform?**

The Investment Manager evaluated the Fund's performance on the characteristics through scores in five specific areas of sustainability including how a company contributed to future sustainable economic development (its 'Impact on Progress'), how a company managed its key risks and opportunities from an ESG perspective (its 'Material ESG Issues' – broken down into three separate areas: 'Environmental', 'Social' and 'Governance') and how a company ensured it acted as a responsible corporate citizen (its 'Business Ethics').

Each company was assigned two quantitative scores from 1-10 based on these five areas, one on a 'Current Level' basis and another on a 'Future Direction' basis.

The company's scores in these five areas are then taken together to provide the Investment Manager with a company's 'Sustainability Delta', which shows both the 'Current Level' and 'Future Direction' of a company from a sustainability perspective.

There are two ways in which portfolio-level indicator scores change from period to period. These are via i) upgrades/downgrades to the Investment Manager's internal stock scores on existing holdings, and ii) portfolio changes from buying lower scoring, selling higher scoring stocks or vice versa.

In the case of i), stock score upgrades are typically incremental, only apply to one element of the Investment Manager's complex scorecard for a stock, do not carry a large weight, and will require many upgrades to have a large impact on the overall indicator score.

In the case of ii), as the Fund has relatively low turnover, and it is unlikely that the spread on all new stocks bought versus all stocks sold during a given period will be very wide (in either direction), this driver too is moderate.

The Investment Manager expects to continue to see small changes in the sustainability indicators at the portfolio level, even whilst at the underlying stock level there may be a number of investments which experience multi-point upgrades due to operational and strategic improvement. There has been no significant change to the scoring process or other methodology changes over the reporting period that impact scores for this year.



The Investment Manager prefers to invest in securities which display an improving trend with the score for Future Direction improving from Current Level (“Positive Delta”), though this is not a requirement for an investment to meet the Fund’s characteristics and the Fund may invest in securities where scores are stable across the forecast period (“Stable Delta”).

In cases where scores display a deteriorating trend, with the Future Direction score declining from the Current Level score (“Negative Delta”), the Investment Manager makes a commitment to engage with the company to resolve a path forward. The current breakdown of the Fund is shown in table below<sup>1</sup>:

	2023	
	Current Level	Future Direction
<b>Impact on progress</b>	7.75	8.04
<b>Environmental</b>	6.29	6.89
<b>Social</b>	6.68	6.94
<b>Governance</b>	7.32	7.48
<b>Business ethics</b>	6.86	7.07

	% Fund <sup>2</sup>
<b>Positive Delta: Level &lt; Direction</b>	76.8%
<b>Stable Delta: Level = Direction</b>	21.9%
<b>Negative Delta: level &gt; Direction</b>	1.3%

### ● *...and compared to previous periods?*

Given the recent launch of this Fund a comparison to previous reporting periods is not possible. It is however possible to provide analysis on some of the largest influences on scoring changes in the period since Fund launch.

#### Impact on Progress

Aggregating scoring for this metric has improved since launch, with the largest contributors coming from upgrades to AIA and Globant.

For AIA, a review of the company’s scores was part of a deeper dive into the opportunity the business has across its Asian markets for the long term. This led to research which gave a fuller appreciation of the linkages between life & health insurance, and such improvements as reduced poverty and lower unemployment

<sup>1</sup> The table shows the average score of the Fund, excluding cash, across the five sustainability indicators of the Fund over the reference period. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted scores as at each calendar quarter end since the Fund was launched (i.e. 30 June, 30 September and 31 December 2023).

<sup>2</sup> The tables shows the percentage of the Fund’s assets as at 31 December 2023, excluding cash, on a portfolio weighted basis that either have positive, stable or negative Delta. The Delta of the sustainability scores is defined as the difference between the Current Level and the Future Direction.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

due to the safeguards provided. These beneficial influences tie-in in more ways and more closely than the Investment Manager had previously given credit for, and are backed by academic studies. The Investment Manager therefore upgraded AIA's scores for Economic Progress under productivity and financial inclusion. AIA was upgraded significantly from 5 to 9 on both Current Level and Future Direction during the review period.

Globant's leading digital transformation technologies are key enablers of economic and social development. It has been estimated that digital technologies have the potential to create annual economic value of mid-high teens levels of GDP across a number of emerging economies. These technologies can improve efficiency, cost, broaden reach, inclusivity, access and equality as well as drive new revenue streams or even increase the rate of new business creation and employment levels. Globant wants to be at the forefront of the conversation on how technology can play a role in climate change solutions. Globant was upgraded from 7 to 7.8 on Current Level and 7 to 8.6 on Future Direction to reflect its position and future potential.

#### Environmental

The Environmental score for the Fund has slightly softened since launch. The biggest contributor to this small negative drag comes from TSMC, particularly given the weight of the company within the Fund. The score moved from 4.3 to 4.0 for Current Level and 6.0 to 5.7 for Future Direction. This is for the most part an ongoing function of the stricter methodology the Investment Manager implemented from 2022 which ensures the Investment Manager is following a consistent and more objective assessment of the way portfolio companies are performing on their material environmental factors by percentile ranking data for key metrics vs. their relevant peers. On this basis, TSMC has slipped a few percentage points, as reflected in our scoring. It should be noted, however, that the Investment Manager strongly believes semiconductors are key inputs into all types of smart, efficient electronics which are key to decoupling the link between economic growth and rising energy consumption. As the world's largest foundry and contract manufacturer of semiconductors as well as the technology leader, TSMC plays a central role in making this happen.

#### Social

The Social indicators saw a small deterioration as compared with the position immediately following the launch. Notable companies that were downgraded over the review period include the Investment Manager's African copper miner, Ivanhoe Mines. The company has seen its incident rate increase, including a couple of tragic fatalities. Whilst the Investment Manager has confidence in management to investigate and mitigate thoroughly and that operations are best-in-class and the safety record historically strong. The Investment Manager felt it appropriate to downgrade the health and safety score to reflect the risk. This moved the Social Level score from 7.3 to 6.7.

TSMC was also downgraded due to a new accident decreasing the company's peer group ranking and eMemory displayed higher employee turnover which negatively

impacted its human capital score. For all three companies the Future Direction scores were adjusted down alongside the new Current Level scores.

#### Governance

This indicator improved very modestly. After the improvements in methodology rolled out last year, the Investment Manager continues to find that the checklist system for additional scrutiny on the key determinants and frequent red flags for governance has resulted in the ability to more thoroughly and tangibly rank and convey the quality of the companies – both existing and prospective. This has been an important contributor to the incremental improvement in scores over this year.

By way of example, two of our Vietnamese holdings, Vinhomes and Vincom Retail, saw their scores increase after the M-score (a key input into our accountancy assessment which helps to monitor red flags) took into account the full 2022 financial year, reflecting better accounting quality which is a core arm of governance.

#### Business Ethics

The output from the Investment Manager's Business Ethics indicator is very similar to that of Governance, given the use of a more systematic scorecard approach to promote consistency across scores as well as to ensure the core elements of this indicator were being captured in the analysis of all stocks.

The overall outcome at the portfolio level is very small fluctuations to scores. All changes were due to fluctuations (mainly narrowing) in tax gaps. There have not been any new material controversies or matters which alter scores owing to a change in risk exposure or mitigating factors, which is how the Investment Manager builds up our corporate behaviour scorecard.

#### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Investment Manager used an 'Impact on Progress' assessment within the Fund's proprietary Economic Value Added (EVA) Framework to identify and assess investment opportunities that, in the Investment Manager's view, contribute to sustainable environmental and social objectives.

The 'Impact on Progress' assessment is centred around three key pillars (Resource Management, Social Development and Economic Progress) informed by the United Nations Sustainable Development Goals ("UN SDGs"). Each pillar links to corresponding Sustainable Investment Objectives. Companies were eligible to be considered as a Sustainable Investment if the company's products or services were deemed to contribute to one or more of the Sustainable Investment Objectives. For the reference period, the Sustainable Investment Objectives that the Fund contributed towards are highlighted in the table below.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

Sustainable Investment Objective	% of Sustainable Investments in the Fund, categorised by Sustainable Investment Objective <sup>3</sup>
Circular Economy	0.0%
Climate Change	33.3%
Health & Wellbeing	5.5%
Financial Inclusion	0.7%
Sustainable Future Food	0.7%
<b>Total Sustainable investments</b>	<b>40.2%</b>

#### TSMC

TSMC contributes to the Sustainable Investment Objective, Climate Change, by manufacturing globally leading semiconductors which are inputs in smart electronics which are key to decouple the link between economic growth and rising energy consumption.

A study by the American Council for an Energy-Efficient Economy (ACEEE) estimates that the difference between a “no growth” in electronic products application and a “accelerated growth” scenario could be as high as 3.27 million GWh of energy saved by 2030, which would correspond to around ~11% of total energy consumption by then.

Assuming TSMC’s market share is the same in 2030, products produced for TSMC’s customers will conserve 0.17 million GWh in 2030 which will be 4 times the amount of energy used in their production.

#### Apollo Hospitals

Apollo Hospitals contributes to the Health and Wellbeing Objective through its ownership and management of the largest hospital network in India. It also operates the largest pharmacy platform in India and runs a leading retail healthcare network.

Improved Clinical outcomes: Apollo was the pioneer in India of introducing high standards of clinical excellence which saw mortality rates fall from 15% at public hospitals to 2-3%. Apollo benchmarks many clinical outcome metrics to the highest international standards and is on par or better than global peers. There is still significant work to be done to invest in the large infrastructure, investment, human resources and outcome gap India has to the rest of the world. Healthcare spend per capita is US\$73 in India, vs. >US\$10k in the US, ~3k in Singapore US\$850 in Brazil and US\$100-450 across ASEAN.

Affordability via subsidized pricing. Apollo collaborates with leading financial institutions to provide services at lower rates for those who cannot pay upfront, sometimes with 0% interest. The table below shows the international

<sup>3</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an environmental objective. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since launch (i.e. 30 June, 30 September and 31 December).



competitiveness of pricing at Apollo. A Harvard Business case review of Apollo described the offering, given the standard of clinical excellence, as ‘First-World Health Care at Emerging-Market Prices’, helping to democratize access to care.

**Geographic Access.** Apollo, over its close to 40 years, has continued to bring healthcare closer to patients, expanding to areas where quality care was simply not available. From an ongoing programme of hospital rollouts into lower tier cities, which reduces travel time and increases availability of beds to close the supply/demand gap, to committing significant investment in new formats of care, such as home visits, digital consultations, telemedicine, specialist clinics, Apollo has significantly improved access.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm (“DNSH”), assessed each company primarily using third party data, to assess whether it had an adverse impact on the environment and society.

Companies with controversies that have very severe adverse impacts on the environment and society will be excluded from consideration as Sustainable Investments by the Investment Manager.

The Investment Manager used the research of third party providers to provide deeper insights into a company’s compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over the assessment of third party conclusions on a case-by-case basis.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts (“PAI”) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of the Annex 1 Level 2 Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable, Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

Where, in the Investment Manager’s view, a company did not cause significant harm with respect to a specific PAI but the Investment Manager felt there was room for material improvement, it took the required steps to reduce or mitigate the PAI, such as engaging with the company, using the right to vote,



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

seeking to improve disclosure of data by the company, or reducing exposure to the issuer where deemed appropriate or necessary.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing the alignment of portfolio companies with these global norms, and where necessary, conducting further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have severe violations of the UNGC principles and OECD Guidelines using third-party controversy research related to these global norms.

The following are examples of DNSH assessments during the reference period:

**Anta (Labour: Supply Chain Management – Not Owned).** The Investment Manager engaged with this company by means of an extensive site visit to a number of the company's facilities and its suppliers in Jiangsu, China. This was precipitated by allegations of Anta mistreating its workers in its cotton supply chain, and using forced labour in Xinjiang, which caused a ratings downgrade by an ESG agency. The Investment Manager did not own the company but wished to undertake full, primary research into the situation.

As background, Anta had been the first and only Chinese sportswear firm to join the Better Cotton Initiative (BCI) in 2019, underlining its ESG commitment. In 2021, BCI made a statement that it had suspended its activities in Xinjiang on the back of concerns over the prevalence of labour abuses in the region. BCI's statement was criticized by local officials and social media which put Anta under significant pressure. Anta considered hiring third party international inspecting firms to conduct an audit on its yarn factories in Xinjiang, but discovered none of these international firms were willing to visit Xinjiang. The company evaluated all stakeholders' interests and ultimately decided to withdraw from their BCI membership. Anta swiftly sought alternatives and joined the Sustainable Apparel Coalition (SAC) for broader supply chain monitoring. The company is also a member of UNGC.

MSCI downgraded Anta's ESG score in 2023, due to the exposure to cotton from this region and seemingly due to the company exiting from BCI. According to Anta management, the company has strict labour policies in place and works with partners to educate and ensure their practices on human rights meet the local government requirements. Meanwhile, close peer companies, who are also not members of BCI but who also source cotton from Xinjiang, were not downgraded by MSCI, making the action appear unfair and ratings unequally distributed and incompletely researched.



Anta has embraced the UNGC's 10 principles and issued a Supplier Sustainability Handbook, highlighting their commitment to a zero-tolerance policy. By intensifying ESG scrutiny during supplier selection and conducting annual audits, Anta aims to advance sustainability throughout its supply chain. On top of 'zero tolerance' requirements towards forced labour etc., Anta has set up a supplier score card matrix with clear KPIs and biannual reviews, making assessment of suppliers more systematic and objective.

Over the last year, Anta has terminated and consolidated more than 20% of the suppliers that did not meet its requirements due to quality control or ESG issues. Consolidation also helps to improve traceability. Anta will continue to review its portfolio and strengthen the cooperation with top tier suppliers that can even bring in better supply chain management concepts. On the other side, Anta works with suppliers closely to help and guide them to invest in the areas that can drive the achievement of those targets. Anta also hosts a supplier partner forum that can share best practices among its suppliers. The Fund still does not own Anta, but full engagement of this nature on key sustainability subjects for companies within our investment universe is an important part of our process.

#### **Phoenix Mills – Good Governance**

Phoenix Mills is an Indian Mall developer and operator which the Investment Manager knows well and believes have proven itself to be very well managed over many years. However the structure of its board is such that three members of the board that are classified as independent are in our view deeply entrenched in the board and have tenure of at least 10 years. In our opinion, this makes them not truly independent. The Investment Manager believes best practice would be for those 3 members to not be brought back for re-election and the Investment Manager therefore approached the company to engage on this matter. In response, the company has committed to these individuals not standing for reappointment. Moreover, they have pre-emptively appointed three new independent directors ahead of term end for the entrenched members. This gives us confidence that they will ensure a refreshed approached to board oversight and bring levels of independence to 50%. As of 19th January 2024, there are 13 board members, 8 of which the company classifies as independent. The Investment Manager only considers 5 to be truly independent, due to the aforementioned issue with 3, but as their terms end and the board size reduces to 10, the 50% independence threshold will be met.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

When assessing a company’s impact on the environment, the Investment Manager considered GHG emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and carbon reduction initiatives. Furthermore, revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. Where material revenues were flagged, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero.

Similarly, where water usage was deemed material to an investee company by the Investment Manager, the Investment Manager sought to encourage the adoption of appropriate water management and water reduction policies.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices.

The Investment Manager considered the standards of the United Nations Global Compact, the Organisation for Economic Co-Operation and Development’s Guidelines for Multinational Enterprises, whistleblower protection, and anti-corruption and anti-bribery policies. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

The following is an example of consideration of principal adverse impacts on sustainability factors:



### Example 1 – PAI 10 – Human Rights Violations

The Investment Manager engaged with Ivanhoe Mines in relation to an Amnesty International Report on human rights practices of miners in the DRC, specifically related to Ivanhoe's interest in the Kamoakakula mine. In the report Ivanhoe were alleged to have caused the forced eviction of locals during the development of the mine, as well as being involved in potential human rights violations through lack of proper support and provision of basic services and living conditions.

The Investment Manager was very surprised by the content and allegations of the report, given our own eyewitness experience, having visited the mine approximately 18 months ago and toured the replacement housing which seemed of a similar standard, if not better, than other local housing. Ivanhoe's project required the re-homing of 45 households, a relatively small number, which made up the Muvunda hamlet.

The company stated that they followed IFC standards throughout this process, and importantly consulted with the community at all points, who agreed to the specifications of their new accommodation. The working group included affected people, members of a range of government departments, NGO representatives and community chiefs. This group transparently negotiated all aspects of the rehoming, including the entitlements, the grievance mechanism, the valuation, the facilities, the layout, and the timings. Over the 5 years of the project there have been a total of ~5 grievances, not a level indicative of a severe amount of dissatisfaction or distress with these living standards.

Ivanhoe acknowledged there had been an external situation which had delayed their provision of certain facilities for the community. This was due to a fight which broke out in the village just after they handed over the homes, owing to a change of chief. The level of security threat to Ivanhoe's personnel was considered too high to enter the village (things were being burned etc.), and this meant they were not able to repair a damaged bore hole or drill more until the situation calmed. There are now 4 bore holes. The opening of schools was also delayed due to this security issue, but there are now schools across all age ranges and a clinic is being provided soon. Compensation was also paid to those on a government calculation based on 150% of their prior crop value.

The company say that this area is viewed as desirable by those around and has been expanding. It now has treble the population than when they did their first demographic survey in 2014. On that basis they are now looking at how to manage potential negative environmental and economic impacts from the inward migration, as everyone wants to settle near the mine. Ivanhoe also reiterated what they told us during our site visit: it is difficult to build homes of a very high differential standard next to a community that doesn't have the same, as that creates 'moral hazard'. The IFC says to give superior accommodation to what you are moving people from, and the company firmly believes they have done that, as the previous dwellings were mud huts. During the consultations local people made clear they wanted a few things, one of which was plaster walls.

A number of other things that Amnesty International mentions as missing are not realistic for the location and were not part of the conversations, such as electricity, which is not available in the area (it was pulled through for the mining operation). However, Ivanhoe may be able to offer this in the future. Similarly it can't be expected that the location will have sewage systems without running water and electricity. The accusation of houses

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

being too small for the number of people was explained due to growth in households since the requirements survey were conducted. Ivanhoe have passed the ownership for the houses to the people they rehoused and they have the freedom to build onto their properties over time, which some have already done – as the mine gives them the economic opportunity. All maintenance costs are at Ivanhoe's expense.

The Investment Manager takes very seriously the upholding of high human rights standards for all, globally, with provision of basic living conditions paramount to the type of economic development the Investment Manager looks to promote and invest behind. Following the call the Investment Manager felt reassured that the company has acted in a proper fashion and that no human rights or UNGC/PAI considerations have been breached. The Investment Manager made no adjustment to our ESG scoring following this engagement.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>4</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>5</sup>
GHG Emissions (TCO <sub>2</sub> e)	Scope 1	21.8	86.7%	150.6	99.7%	-85.6%
	Scope 2	15.3	86.7%	31.4	99.7%	-51.4%
	Scope 1 & 2	37.0	86.7%	182.0	99.7%	-79.7%
Carbon Footprint (TCO <sub>2</sub> e/ €m Invested)	Scope 1 & 2	39.1	86.7%	186.0	99.7%	-79.0%
GHG Intensity (TCO <sub>2</sub> e / €m Revenue)	Scope 1 & 2	115.4	86.7%	370.3	99.7%	-68.8%
Weighted Average Carbon Intensity (TCO <sub>2</sub> e / \$m Revenue)	Scope 1 & 2	121.8	86.7%	359.4	99.7%	-66.1%
Female Board Representation (%)		17.7	87.1%	17.4	100.0%	1.8%

<sup>4</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI AC Asia ex Japan Total Return Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €1.0m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>5</sup> The figures shown demonstrate the difference in the performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Taiwan Semiconductor	Technology	10.14	Taiwan
Samsung Electronics	Technology	9.11	Republic of South Korea
Reliance Industries	Energy	4.61	India
Ivanhoe Mines	Materials	3.57	Canada
Phoenix Mills	Financial	3.52	India
HDFC Bank ADR	Financial	3.34	India
Grupo Financiero Banorte	Financial	3.33	Mexico
MakeMyTrip	Communications	2.87	Mauritius
eMemory Technology	Technology	2.86	Taiwan
MercadoLibre	Communications	2.85	United States
SK Hynix	Technology	2.46	Republic of South Korea
Globant	Technology	2.45	Luxembourg
ICICI Bank	Financial	2.37	India
Itau Unibanco	Financial	2.33	Brazil
Chroma ATE	Industrial	2.31	Taiwan



## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?

100% of the companies the Fund invested in were assessed under the Investment Manager's EVA Framework, which is used to assess and deliver the environmental or social characteristics promoted by the Fund.

All investments, excluding cash, attained the characteristics of the Fund on an individual basis over the reference period.

During the reference period, the Fund invested 92.7% of its assets in equity and equity warrants. Therefore, on average 92.7%<sup>6</sup> of the investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund.

While the Fund does not have sustainable investing as its objective, the Fund invested 40%<sup>7</sup> of its assets in Sustainable Investments with an environmental or social objective.

<sup>6</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, aligned with the Fund's characteristics. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end since launch (i.e. 30 June, 30 September and 31 December 2023).

<sup>7</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end since launch (i.e. 30 June, 30 September and 31 December 2023).

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

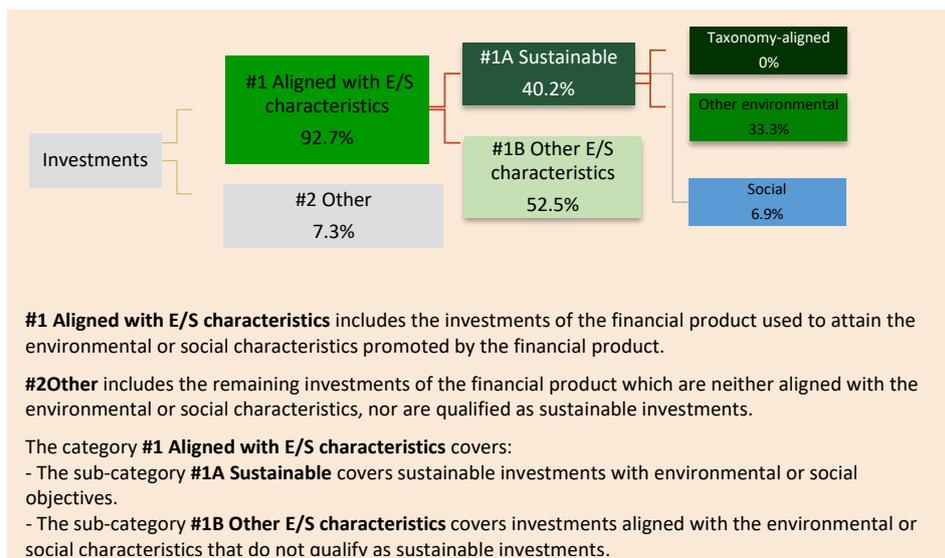
## Emerging Market ex-China Stars Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’, ‘#1A sustainable’ etc.)



### In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>8</sup>
Technology	32.7
Financial	21.2
Industrial	9.5
Materials	7.1
Communications	6.2
Consumer Discretionary	5.1
Energy	4.6
Industrials	3.4
Consumer, Non-cyclical	3.3
Real Estate	3.0
Health Care	2.6
Consumer Staples	1.3

During the reference period the only material exposure to fossil fuels within the Fund was via Reliance Industries in India. Given the large, transformative transition this company is undertaking from a high emissions petrochemicals business to a leader in renewable energy such as solar, battery storage and hydrogen, the Investment Manager undertakes additional engagement by means of a long-term collective investor engagement programme under Climate Action 100+ to ensure the company is held to account and there is continued oversight. The Investment Manager co-

<sup>8</sup> This shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

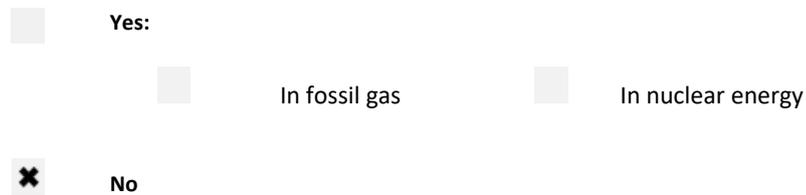
leads this engagement with other investors and spent significant time during 2023 visiting management at the company’s operations in India.



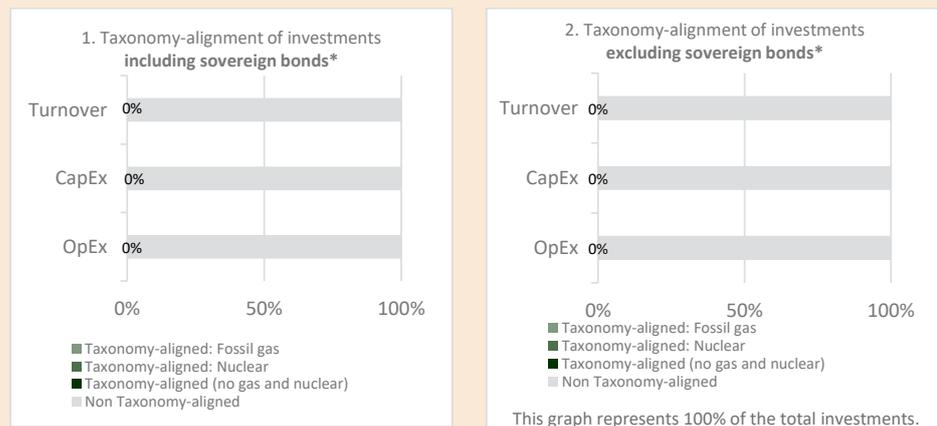
### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund’s net assets.

#### Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>9</sup>?



The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

<sup>9</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

● **What was the share of investments made in transitional and enabling activities?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation is 0% of the Fund's net assets.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund's net assets.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Over the reference period, the percentage of Sustainable Investments with an environmental objective not aligned with the EU taxonomy was 33.3%.<sup>10</sup>

In order to satisfy itself that an investment is environmentally sustainable pursuant to the Taxonomy Regulation, the Investment Manager must (a) determine whether or not the investments underlying the Fund are in environmentally sustainable activities (b) identify the extent to which the investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation; (c) identify the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable activities which are aligned with the Taxonomy Regulation; and (d) identify the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

At the present time, the Investment Manager cannot satisfy itself that the Fund's investments meet the criteria outlined above. Accordingly, the proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation is 0% of the Fund's net assets.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

<sup>10</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an environmental objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 30 June, 30 September and 31 December).



### What was the share of socially sustainable investments?

During the reference period the percentage of Sustainable Investments with a social objective within the Fund was 6.9%.<sup>11</sup>



### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

During the reference period, an average of 7.3% of the Fund’s investments were identified as #2 Other in the above diagram and were held in cash for liquidity purposes in line with the Fund’s Investment Policy. There are no minimum environmental or social safeguards applicable to these investments.<sup>12</sup>



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Using company specific knowledge and often engagement with company representatives, the Investment Manager assesses every prospective investee company, prior to purchase, using the Investment Manager’s Proprietary quantitative Economic Value Added (EVA) Wheel Model. The Investment Manager used the EVA Wheel to evaluate how investee companies contributed to future sustainable economic development (its Impact on Progress), how a company managed its key risks and opportunities from an ESG perspective (its Material ESG Issues) and how a company ensures it acted as a responsible corporate citizen (its Business Ethics). Each company was assigned a quantitative score based on these three areas. The Investment Manager carried out this evaluation using a variety of sources, including information and data published by the companies themselves and third party data and research providers. Every prospective investment was also assessed against the Fund’s exclusion criteria.

The following are engagement examples carried out during the reference period:

#### Merdeka Copper Gold

The Investment Manager has followed Merdeka Copper Gold for a number of years and part of the Investment Manager’s visit to operations on the ground in rural Indonesia was in order form a further assessment of the company’s ESG practices on a deep-dive basis.

The company is committed to a net zero 2050 target and, prior to that, reducing GHG emissions by 29% by 2030. The company is already using a lot of renewable energy from geothermal sources, and has some solar capacity. The Tujuh Bukit mine will use 100% renewable energy from this year. The company’s carbon offsetting program which

<sup>11</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with a social objective. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since launch (i.e. 30 June, 30 September and 31 December).

<sup>12</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the Fund’s characteristics. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 30 June, 30 September and 31 December.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued

includes significant mined land rehabilitation and mangrove restoration, which also enhances biodiversity, was also encouraging to see. Impressively the company's water data is linked to the government's environmental office in real time, which is relevant for the government's ongoing work on permitting for environmental issues.

There is more to come from Merdeka on environmental improvements but the progress and action so far is an encouraging mark of management attention here – indeed ESG factors are part of the executive compensation structure. There are undeniably some high risk ESG issues, but they are being well managed and mitigated.

#### Samsung Electronics

Samsung Electronics (Samsung) is a South Korean semiconductor and consumer electronics company with global leading market shares in memory semiconductor manufacturing, smartphones, TVs and other consumer electronic goods.

The Investment Manager engaged with Samsung regarding their level of GHG emissions and proposed mitigating actions going forward. The company has set net zero targets on a Scope 1+2 basis by 2050 and were able to clarify that they expect to be at Net Zero by 2030 in the DX division, although only by 2050 across the group. Encouragingly, this target is predominantly driven by a reduction in gross emissions rather than the use of any carbon offsetting which will only be used as a last resort.

Samsung also stated that they will give more Scope 3 disclosures and a Scope 3 target by FY23 and there was a realisation from the company that this data is important and they are preparing a 'readiness' framework consistent with supply chain directives (they have over 2000 suppliers so the work required is extensive).

Samsung further explained that whilst implementing Science Based Target Initiative (SBTi) accreditation is a very active conversation internally, the constraint for them is the fact that SBTi adoption mandates emissions reductions of just over 1% p.a. to 2030 and this is incredibly difficult to reconcile with the fact that Samsung is quite a fast growing business, and secondly, SBTi does not yet have sector specific guidance for their industry.

The main bottleneck to achieving reductions is the reliance of the South Korean state on fossil fuels, where currently only 7-8% of South Korean power generation comes from renewables – this is the lowest percentage renewable energy share of any OECD country. This is only likely to rise to 22-3% by 2030 as fossil fuel power remains far cheaper in the country. Samsung intend to be 100% reliant on renewable energy from imported sourced by 2027.

Samsung believe their Scope 1+2 emissions peaked in 2021, which should mean they are proving they *are* in fact able to grow rapidly whilst reducing emissions and that their approach to metric adoption and data release has been somewhat slow and cautious. It does now appear that this is an issue the company is taking very seriously, committing significant resource to and the Investment Manager is seeing marked improvement which it hopes and expects to continue and will continue to engage with the company on this basis. The Investment Manager's process favours 'improver' companies which are able to show ongoing progress on ESG issues and thereby derive material operational, financial



and real world gains which the Investment Manager believes lead to very attractive share price returns.

### **Reliance Industries**

The Investment Manager remains a co-lead investor of a long-term collective investor engagement programme under Climate Action 100+ to ensure the company is held to account and that there is continued oversight given the large, transformative transition this company is undertaking from a high emissions petrochemicals business to a leader in new energy such as solar, battery storage and hydrogen. The Investment Manager spent significant time during the review period visiting management at the company's operations in India. During this time management expressed confidence in being able to achieve their net zero target by 2035 even ahead of time, though currently the company is maintaining focus on execution, reducing unit costs of energy and moving into wind to increase up-time and solve for critical round-the-clock power and predictability.

Compared to the previous year, the Investment Manager notes that Reliance Industries' decarbonization strategy took shape as the company identified the set of actions and investments it intends to undertake to achieve its GHG reduction targets. Capital expenditure in the New Energy Business is on track to reach 10GW of solar module manufacturing capacity by 2024, and 20GW by 2026, with battery capacity for large scale energy storage to reach 5GWh by 2024 and 50GWh by 2027. Moreover, Reliance Industries expanded its plans when it comes to renewable power generation, reiterated its commitment to further investment in India's energy transition and welcomed partnerships with international investors. On the consolidated level, FY 2022 emissions performance showed improvement year on year with some reduction across most GHG metrics. However, outside of Reliance Jio, detailed TCFD aligned segment reporting is yet to be achieved.

Based on preliminary TPI/FTSE Russell assessment results, Reliance Industries' commitment towards alignment of disclosures with TCFD recommendations has been recognized, although more needs to be done in terms of standardization. On the positive side, additional steps were taken by the company during the review period including the announced Board Committees overhaul that the Investment Manager tends to attribute, in part, to the engagement group efforts, including a letter sent by one of the participants. The new ESG Committee is set to 'review progress towards meeting the Group's ambitions regarding its Net Carbon Footprint, Climate Change, Circular Economy, the Energy Transition and inclusive growth'. It should, at least partially, meet the requirements under the TPI's Indicator 8: Climate Governance. The Investment Manager continues to be very active with the group engagement, and will continue to engage as per the established plan recalibrated for 2024 in accordance with the CA100+ Net Zero Company Benchmark.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market ex-China Stars Fund continued



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Emerging Market Stars Fund

## Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc - Emerging Market Stars Fund (the "Fund")

Legal entity identifier: 5493001FUNLE56KXSU19

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

## Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 39% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies primarily situated in emerging markets that have the ability to remain competitive and deliver attractive profitability over the long term due to robust fundamental characteristics, but only where these robust fundamental characteristics were combined with good or improving environmental, social and governance ("ESG") profiles based on the Investment Manager's proprietary analysis.

The Fund had a bias towards companies with improving sustainability profiles, based on the Investment Manager's proprietary analysis.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

The Fund excluded companies that have an unacceptable or controversial ESG profile following the application of quantitative and qualitative analysis by the Investment Manager and through the use of the Fund's exclusions list.

The Investment Manager determined a security had met the characteristics of the Fund if it scored equal to or greater than 5 on its proprietary 'Sustainability Delta' scoring framework.

All investments attained the characteristics of the Fund on an individual basis over the review period.

#### ● **How did the sustainability indicators perform?**

The Investment Manager evaluated the Fund's performance on the characteristics through scores in five specific areas of sustainability including how a company contributed to future sustainable economic development (its 'Impact on Progress'), how a company managed its key risks and opportunities from an ESG perspective (its 'Material ESG Issues' – broken down into three separate areas: 'Environmental', 'Social' and 'Governance') and how a company ensured it acted as a responsible corporate citizen (its 'Business Ethics').

Each company was assigned two quantitative scores from 1-10 based on these five areas, one on a 'Current Level' basis and another on a 'Future Direction' basis.

The company's scores in these five areas are then taken together to provide the Investment Manager with a company's 'Sustainability Delta', which shows both its 'Current Level' and 'Future Direction' from a sustainability perspective.

There are two ways in which portfolio-level indicator scores change from period to period. These are via i) upgrades/downgrades to the Investment Manager's internal company scores on existing holdings, and ii) portfolio changes from buying lower scoring, selling higher scoring companies or vice versa.

In the case of i), company score upgrades are typically incremental, only apply to one element of the Investment Manager's complex scorecard for a company, do not carry a large weight, and will require many upgrades to have a large impact on the overall indicator score.

In the case of ii), as the Fund has relatively low turnover, and it is unlikely that the spread on all new companies invested in versus all companies sold during a given period will be very wide (in either direction), this driver too is moderate. Over this reporting period, the Fund invested in 19 new companies and exited 15 positions.

As in previous years, the Investment Manager expects to continue to see small changes in the sustainability indicators at the portfolio level, even whilst at the underlying company level there may be a number of investments which experience multi-point upgrades due to operational and strategic improvement. There has



been no significant change to the scoring process or other methodology changes over the reporting period that impact scores for this year.

The Investment Manager prefers to invest in securities which display an improving trend with the score for Future Direction improving from Current Level (“Positive Delta”), though this is not a requirement for an investment to meet the Fund’s characteristics and the Fund may invest in securities where scores are stable across the forecast period (“Stable Delta”).

In cases where scores display a deteriorating trend, with the Future Direction score declining from the Current Level score (“Negative Delta”), the Investment Manager makes a commitment to engage with the company to resolve a path forward. The current breakdown of the Fund is shown in table below<sup>1</sup>:

	2023	
	Current Level	Future Direction
<b>Impact on progress</b>	7.74	8.09
<b>Environmental</b>	5.99	6.77
<b>Social</b>	6.53	6.84
<b>Governance</b>	7.24	7.35
<b>Business ethics</b>	6.79	7.10

	% Fund <sup>2</sup>
<b>Positive Delta: Level &lt; Direction</b>	80.6%
<b>Stable Delta: Level = Direction</b>	19.1%
<b>Negative Delta: level &gt; Direction</b>	0.3%

Further information on the performance of the sustainability indicators compared to the previous period is provided below.

<sup>1</sup> The table shows the average score of the Fund, excluding cash, across the five sustainability indicators of the Fund over the reference period. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted scores as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>2</sup> The table shows the percentage of the Fund’s assets as at 31 December 2023, excluding cash, on a portfolio weighted basis that either have positive, stable or negative Delta. The Delta of the sustainability scores is defined as the difference between the Current Level and the Future Direction.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

#### ● ...and compared to previous periods?

A summary of the headline scores for comparison is shown below<sup>3</sup>:

	2021		2022	
	Current Level	Future Direction	Current Level	Future Direction
<b>Impact on progress</b>	7.42	7.80	7.58	7.93
<b>Environmental</b>	6.34	6.85	5.94	6.72
<b>Social</b>	6.73	7.15	6.61	6.97
<b>Governance</b>	7.08	7.40	7.16	7.26
<b>Business ethics</b>	6.68	6.98	6.78	7.03

The table below displays a summary of all changes that have been made in the way described over the reporting period.<sup>4</sup>

	Current Level 2022	Upgrade	Portfolio Change	Current Level 2023	Future Direction 2022	Upgrade	Portfolio Change	Future Direction 2023
<b>Impact on progress</b>	7.58	0.12	0.04	7.74	7.93	0.15	0.00	8.09
<b>Environmental</b>	5.94	- 0.07	0.12	5.99	6.72	- 0.01	0.06	6.77
<b>Social</b>	6.61	- 0.06	- 0.02	6.53	6.97	- 0.02	- 0.10	6.84
<b>Governance</b>	7.16	0.03	0.06	7.24	7.26	0.03	0.05	7.35
<b>Business ethics</b>	6.78	0.11	- 0.10	6.79	7.03	0.17	- 0.09	7.10

As is consistent with the Fund's process and the expectations of the Investment Manager, the sustainability indicator scores shown at a headline, aggregated level remain very stable from the previous period to the reference period. All of these ten individual indicators (5 metrics across level and direction) have seen movement of less than +/- 0.20 from the reference period, with the smallest being just +0.01 for Business Ethics, Current Level, the highest +0.16 for Impact on Progress, Current Level, and the largest downward move -0.13 seen in Social, Future Direction. The key drivers of these constituent parts are analysed below.

#### Impact on Progress

The Fund's Impact on Progress score increased the most of any over the reference period, up by 0.16 for Current Level and 0.16 for Future Direction as compared with 2022, to 7.74 and 8.09, as shown in the summary table above.

<sup>3</sup> Please note the figures shown for 2021 in this table differ slightly to those shown in Fund's SFDR Disclosure Annex of the Company's 2021 Annual Report. This difference is due to an update in the calculation methodology of the sustainability indicators. Sustainability indicator scores are now based on the portfolio weighted average of investee companies scores rather than a simple average. Please refer to page 408 of the 2021 Annual Report for full details of the portfolio scores against the five areas on a simple average basis.

<sup>4</sup> Please note the figures presented may not sum precisely due to rounding.



In both cases this improvement came almost exclusively from upgrades within existing holdings, as the effect from portfolio changes had a very slight positive effect within Current Level and no effect within Future Direction.

The largest contributors to improving scores in this area came from AIA and Globant.

For AIA, a review of the company's scores was part of a deeper dive into the opportunity the business has across its Asian markets for the long term. This led to research which gave a fuller appreciation of the linkages between life & health insurance, and such improvements as reduced poverty and lower unemployment due to the safeguards provided. These beneficial influences tie-in in more ways and more closely than the Investment Manager had previously given credit for, and are backed by academic studies. The Investment Manager therefore upgraded our scores for Economic Progress under productivity and financial inclusion. AIA was upgraded significantly from 5 to 9 on both level and direction during the review period.

Globant's leading digital transformation technologies are key enablers of economic and social development. It has been estimated that digital technologies have the potential to create annual economic value of mid-high teens levels of GDP across a number of emerging economies. These technologies can improve efficiency, cost, broaden reach, inclusivity, access and equality as well as drive new revenue streams or even increase the rate of new business creation and employment levels. Globant wants to be at the forefront of the conversation on how technology can play a role in climate change solutions. Globant was upgraded from 7 to 7.8 on Current Level and 7 to 8.6 on Future Direction to reflect its position and future potential.

Whilst portfolio change had little impact on score changes for this metric, it is notable that the scores on overall buys and sells during the year had a net negative spread on a weighted average basis; that is new buys (7.30 Current Level, 7.62 Future Direction) were on average lower scoring than sells (7.62 Current Level, 7.83 Future Direction). This represents the style and aim of the Fund which is to hold companies as they improve and benefit from associated performance, but then recycle capital into businesses where the Investment Manager is able to identify new opportunities for sustainable growth and economic development backed by strong ESG consideration, at an earlier stage.

#### Environmental

The Environmental score for the Fund improved marginally on both Current Level and Future Direction, registering a 0.05 upward move for the reporting period to 5.99 and 6.77. In composition this was driven in both cases by net positive portfolio changes made to the Fund, offsetting the effect from intra-fund upgrade/downgrades to existing holdings, which was a small negative.

TSMC was a more material contributor to the small drag on the downgrades, particularly given the weight of the company within the Fund. The score moved from 4.3 to 4.0 for Current Level and 6.0 to 5.7 for Future Direction. This is, for the most part, an ongoing function of the stricter methodology the Investment Manager implemented from 2022 which ensures the Investment Manager is following a consistent and more objective assessment of the way portfolio companies are performing on their material



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

environmental factors by percentile ranking data for key metrics vs. their relevant peers. On this basis, TSMC has slipped a few percentage points, as reflected in our scoring.

It should be noted, however, that the Investment Manager strongly believes semiconductors are key inputs into all types of smart, efficient electronics which are key to decoupling the link between economic growth and rising energy consumption. As the world's largest foundry and contract manufacturer of semiconductors as well as the technology leader, TSMC plays a central role in making this happen.

As mentioned, the largest determinant in moving the Environmental scores was portfolio changes. This is explained by the fact that over the year, the weighted average Environmental Current Level score for stocks sold was 5.6. Conversely, the weighted average Environmental Current Level score for stocks bought during the year was 6.2 – a positive spread of 0.6.

There was a similar experience for Future Direction scores, with the weighted average Environmental Future Direction score for companies sold at 6.3, and for companies bought the commensurate score was 6.6. Some of lowest scoring names on this metric sold include: Alibaba, Naver and Dixon. Some of highest scoring new names bought on this metric include: Makemytrip, Faraday and B3.

#### Social

The Social indicator saw a small deterioration as compared with the prior reference period, falling -0.08 from 6.61 to 6.53 on Current Level and -0.13 from 6.97 to 6.84 on Future Direction. The reasoning for this was split, with the Current Level move was mostly owing to up/downgrades within the existing portfolio but the change in the Future Direction score caused more by portfolio changes.

Notable companies that were downgraded over the review period include the African copper miner, Ivanhoe Mines. The company has seen its incident rate increase, including a couple of tragic fatalities. Whilst the Investment Manager has confidence in management to investigate and mitigate thoroughly, that operations are best-in-class and that the safety record is historically strong, the Investment Manager felt it appropriate to downgrade the health and safety score to reflect the risk. This moved the Social Level score from 7.3 to 6.7.

TSMC was also downgraded due to a new accident decreasing the company's peer group ranking and eMemory displayed higher employee turnover which negatively impacted its human capital score. For all three companies, the Future Direction scores were adjusted down alongside the new Current Level scores.

More positively, on the portfolio changes side, for Current Level, over the year, the weighted average Social Current Level score for stocks sold was 6.11, whilst the weighted average Social Current Level score for stocks bought during the year was 6.71 – a positive spread of 0.60. However, this was not sufficient to fully offset the effect of the upgrades/downgrades.

In the case of Future Direction scores, the weighted average Social Future direction score for companies sold was 6.65, and for companies invested in the commensurate score was 6.75.



Some of lowest scoring names on this metric sold included Lynas, Alibaba and Samsung SDI. Some of highest scoring new names bought on this metric included HPSP, MAPI and PDD.

#### Governance

This indicator improved modestly, up 0.09 on both Current Level and Future Direction, from 7.16 to 7.24 and 7.26 to 7.35 respectively. Both internal upgrades on existing investments and portfolio changes had positive impacts across these indicators during the period.

After the improvements in methodology rolled out last year, the Investment Manager continues to find that the checklist system for additional scrutiny on the key determinants and frequent red flags for governance has resulted in the ability to more thoroughly and tangibly rank and convey the quality of companies – whether existing investment or prospective investment. This has been an important contributor to the incremental improvement in scores over this year.

By way of example, two of our Vietnamese holdings, Vinhomes and Vincom Retail, saw their scores increase after the Investment Manager took into account the full 2022 financial year, reflecting better accounting quality which is a core arm of Governance.

There was again a strong spread in the weighted average scores of companies bought vs. those sold. For Current Level, over the year, the weighted average Governance Current Level score for companies sold was 7.04. Meanwhile, the weighted average Governance Current Level score for companies bought during the year was 7.44 – a positive spread of 0.40.

Some of lowest scoring names on this metric sold included Alibaba, JD.com and Landmark.

Some of highest scoring new names bought on this metric included SK Hynix, Aldar and Traxion.

In the case of Future Direction scores, the weighted average Governance Future Direction score for companies sold was 7.13, and for companies bought the commensurate score was 7.52.

#### Business Ethics

The output from the Investment Manager's Business Ethics indicator is very similar to that of its Governance indicator, given the use of a more systematic scorecard approach to promote consistency across scores, as well as to ensure the core elements of this indicator were being captured in the analysis of all stocks.

The overall outcome at the portfolio level was very small fluctuations to scores, looked at in terms of both upgrades and downgrades and portfolio changes. The Current Level increased by 0.01 from 6.78 to 6.79 while the Future Direction score increased by 0.07 from 7.03 to 7.10. All changes were due to fluctuations (mainly narrowing) in tax gaps. There have not been any new material controversies or matters which alter scores owing to a change in risk exposure or mitigating factors, which is how the Investment Manager builds up its corporate behaviour scorecard.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Investment Manager used an ‘Impact on Progress’ assessment within the Fund’s proprietary Economic Value Added (EVA) Framework to identify and assess investment opportunities that, in the Investment Manager’s view, contribute to sustainable environmental and social objectives.

The ‘Impact on Progress’ assessment is centred around three key pillars (Resource Management, Social Development and Economic Progress) informed by the United Nations Sustainable Development Goals (“UN SDGs”). Each pillar links to corresponding Sustainable Investment Objectives. Companies were eligible to be considered as a Sustainable Investment if the company’s products or services were deemed to contribute to one or more of the Sustainable Investment Objectives. For the reference period, the Sustainable Investment Objectives that the Fund contributed towards are highlighted in the table below.

Sustainable Investment Objective	% of Sustainable Investments in the Fund, categorised by Sustainable Investment Objective <sup>5</sup>
Circular Economy	0.2%
Climate Change	34.3%
Health & Wellbeing	3.2%
Financial Inclusion	1.4%
Sustainable Future Food	0.3%
<b>Total Sustainable Investments</b>	<b>39.3%</b>

The following are examples of Sustainable Investments and how they are contributing to the Sustainable Objective:

#### TSMC

TSMC contributes to the Sustainable Investment Objective, Climate Change, by manufacturing globally leading semiconductors which are inputs in smart electronics which are key to decouple the link between economic growth and rising energy consumption.

A study by the American Council for an Energy-Efficient Economy (ACEEE) estimates that the difference between a “no growth” in electronic products application and a “accelerated growth” scenario could be as high as 3.27 million GWh of energy saved by 2030, which would correspond to around ~11% of total energy consumption by then.

<sup>5</sup> These figures show the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted scores as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



Assuming TSMC's market share is the same in 2030, products produced for TSMC's customers will conserve 0.17 million GWh in 2030 which will be 4 times the amount of energy used in their production.

### **Apollo Hospitals**

Apollo Hospitals contributes to the Health and Wellbeing Objective through its ownership and management of the largest hospital network in India. It also operates the largest pharmacy platform in India and runs a leading retail healthcare network.

Improved Clinical outcomes: Apollo was the pioneer in India of introducing high standards of clinical excellence which saw mortality rates fall from 15% at public hospitals to 2-3%. Apollo benchmarks many clinical outcome metrics to the highest international standards and is on par or better than global peers. There is still significant work to be done to invest in the large infrastructure, investment, human resources and outcome gap India has to the rest of the world. Healthcare spend per capita is US\$73 in India, vs. >US\$10k in the US, ~US\$3k in Singapore US\$850 in Brazil and US\$100-450 across ASEAN.

Affordability via subsidized pricing. Apollo collaborates with leading financial institutions to provide services at lower rates for those who cannot pay upfront, sometimes with 0% interest. The table below shows the international competitiveness of pricing at Apollo. A Harvard Business case review of Apollo described the offering, given the standard of clinical excellence as 'First-World Health Care at Emerging-Market Prices', helping to democratize access to care.

Geographic Access. Apollo, over its close to 40 years has continued to bring healthcare closer to patients, expanding to areas where quality care was simply not available. From an ongoing programme of hospital rollouts into lower tier cities, which reduces travel time and increases availability of beds to close the supply/demand gap, to committing significant investment in new formats of care, such as home visits, digital consultations, telemedicine, specialist clinics, Apollo has significantly improved access.

### ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), assessed each company primarily using third party data, to assess whether it had an adverse impact on the environment and society.

Companies with controversies that had very severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager.

The Investment Manager used the research of third party providers to provide deeper insights into a company's compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour,



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

the Investment Manager retained discretion over the assessment of third party conclusions on a case-by-case basis.

#### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts (“PAI”) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of the Annex 1 Level 2 Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable, Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

#### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing the alignment of investee companies with these global norms, and where necessary, conducting further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have severe violations of the UNGC principles and OECD Guidelines using third-party controversy research related to these global norms.

As a result of these assessments, the Investment Manager was comfortable that the Sustainable Investments within the portfolio appeared to not violate the above guidelines and principles.

The following are examples of DNSH assessments during the reference period:

#### **Naver (Human Rights – Owned, now sold).**

Korea corporate culture had been in the news due to reports of ‘machismo’ being rife in the workplace, causing a significant social and mental impact for many younger - particularly female - employees, with up to 80% of working age people surveyed having experienced workplace bullying, and a number of deaths by suicide linked to this environment. This ‘macho culture’ issue also impacted Naver and caused the Investment Manager to initiate a deeper engagement. The Investment Manager learnt that factors such as the legacy

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



of the Korean war and the strong influence of the very harsh military training that all men have to undertake in Korea has resulted in military culture filtering into the workplace, with these historic influences remaining deep-rooted. From discussions with the company, the problems appeared to be very concentrated around a few individuals within Naver and seemed to have been addressed quickly by the board. The company had recently appointed a new, younger, management team including a female CEO, partly with the intention of their better understanding of young culture.

However, during a meeting with both the new CEO and CFO at our offices, the Investment Manager was disappointed with the level of energy and conviction they both had on tackling this issue. The management factually stated that the company had made some bold changes, which had been taken positively by the workforce, and that the CEO's focus was on building trust, but stopped short of giving any tangible actions, targets or laying out a roadmap for measurable change, as might reasonably be expected given the 2021 employee suicide. It was stated that it was too soon to see results - though the Investment Manager was left unsure from what initiatives these results would come.

**Anta (Labour: Supply Chain Management – Not Owned).** The Investment Manager engaged with this company by means of an extensive site visit to a number of the company's facilities and its suppliers in Jiangsu, China. This was precipitated by allegations of Anta mistreating of its workers in its cotton supply chain and using forced labour in Xinjiang, which caused a ratings downgrade by an ESG agency. The Investment Manager did not own the company but wished to undertake full, primary research into the situation.

As background, Anta had been the first and only Chinese sportswear firm to join the Better Cotton Initiative (BCI) in 2019, underlining its ESG commitment. In 2021, BCI made a statement that it had suspended its activities in Xinjiang on the back of concerns over the prevalence of labour abuses in the region. BCI's statement was criticized by local officials and social media which put Anta under significant pressure. Anta considered hiring third party international inspecting firms to conduct an audit on its yarn factories in Xinjiang, but discovered none of these international firms were willing to visit Xinjiang. The company evaluated all stakeholders' interests and ultimately decided to withdraw from their BCI membership. Anta swiftly sought alternatives and joined the Sustainable Apparel Coalition (SAC) for broader supply chain monitoring. The company is also a member of the United Nations Global Compact ('UNGC').

MSCI downgraded Anta's ESG score in 2023, due to the exposure to cotton from this region and seemingly due to the company exiting from BCI. According to Anta's management statement, the company has strict labour policies in place and works with partners to educate and ensure their practices on human rights meet the local government requirements. Meanwhile, close peer companies, who are also not members of BCI but who also source cotton from



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

Xinjiang, were not downgraded by MSCI, making the action appear unfair and ratings unequally distributed and incompletely researched.

Anta has embraced the UNGC's 10 principles and issued a Supplier Sustainability Handbook, highlighting their commitment to a policy with zero-tolerance of labour rights abuses. By intensifying ESG scrutiny during supplier selection and conducting annual audits, Anta aims to advance sustainability throughout its supply chain. On top of 'zero tolerance' requirements towards forced labour etc., Anta has set up a supplier score card matrix with clear KPIs and biannual reviews, making assessment of suppliers more systematic and objective.

Over the last year, Anta has terminated and consolidated more than 20% of the suppliers that did not meet its requirements due to quality control or ESG issues. Consolidation also helps to improve traceability. Anta will continue to review its portfolio and strengthen the cooperation with top tier suppliers that can even bring in better supply chain management concepts. On the other side, Anta works with suppliers closely to help and guide them to invest in the areas that can drive the achievement of those targets. Anta also hosts a supplier partner forum that can share best practices among its suppliers. The Fund still does not own Anta, but full engagement of this nature on key sustainability subjects for companies within our investment universe is an important part of our process.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

When assessing a company's impact on the environment, the Investment Manager considered GHG emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and carbon reduction initiatives. Furthermore, revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. Where material revenues were flagged, the Investment Manager assessed the company's carbon reduction policies or targets related to achieving net zero.



Similarly, where water usage was deemed material to an investee company by the Investment Manager, the Investment Manager sought to encourage the adoption of appropriate water management and water reduction policies.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices.

The Investment Manager considered the standards of the United Nations Global Compact, the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises, whistleblower protection, and anti-corruption and anti-bribery policies. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

The following is an example of consideration of principal adverse impacts on sustainability factors:

#### Example 1 – PAI 10 – Human Rights Violations

The Investment Manager engaged with Ivanhoe Mines in relation to an Amnesty International Report on human rights practices of miners in the DRC, specifically related to Ivanhoe's interest in the Kamo-Kakula mine. In the report Ivanhoe were alleged to have caused the forced eviction of locals during the development of the mine, as well as being involved in potential human rights violations through lack of proper support and provision of basic services and living conditions.

The Investment Manager was very surprised by the content and allegations of the report, given our own eyewitness experience, having visited the mine approximately 18 months ago and toured the replacement housing which seemed of a similar standard, if not better, than other local housing. Ivanhoe's project required the re-homing of 45 households, a relatively small number, which made up the Muvunda hamlet.

The company stated that they followed IFC standards throughout this process, and importantly consulted with the community at all points, who agreed to the specifications of their new accommodation. The working group included affected people, members of a range of government departments, NGO representatives and community chiefs. This group transparently negotiated all aspects of the rehousing, including the entitlements, the grievance mechanism, the valuation, the facilities, the layout, and the timings. Over the 5 years of the project there have been a total of ~5 grievances, not a level indicative of a severe amount of dissatisfaction or distress with these living standards.

Ivanhoe acknowledged there had been an external situation which had delayed their provision of certain facilities for the community. This was due to a fight which broke out in the village just after they handed over the homes, owing to a change of chief. The level of security threat to Ivanhoe's personnel was considered too high to enter the village (things were being burned etc.), and this meant they were not able to repair a damaged bore hole or drill more until the situation calmed. There are now 4 bore holes.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

The opening of schools was also delayed due to this security issue, but there are now schools across all age ranges and a clinic is being provided soon. Compensation was also paid to those on a government calculation based on 150% of their prior crop value.

The company say that this area is viewed as desirable by those around and has been expanding. It now has treble the population than when they did their first demographic survey in 2014. On that basis they are now looking at how to manage potential negative environmental and economic impacts from the inward migration, as everyone wants to settle near the mine. Ivanhoe also reiterated what they told us during our site visit: its difficult to build homes of a very high differential standard next to a community that doesn't have the same, as that creates 'moral hazard'. The IFC says to give superior accommodation to what you are moving people from, and the company firmly believes they have done that, as the previous dwellings were mud huts. During the consultations local people made clear they wanted a few things, one of which was plaster walls.

A number of other things that Amnesty International mentions as missing are not realistic for the location and were not part of the conversations, such as electricity, which is not available in the area (it was pulled through for the mining operation). Ivanhoe may be able to offer this in the future. Similarly it can't be expected that the location will have sewage systems without running water and electricity. The accusation of houses being too small for the number of people was explained due to growth in households since the requirements survey were conducted. Ivanhoe have passed the ownership for the houses to the people they rehoused and they have the freedom to build onto their properties over time, which some have already done – as the mine gives them the economic opportunity. All maintenance costs are at Ivanhoe's expense.

The Investment Manager takes very seriously the upholding of high human rights standards for all, globally, with provision of basic living conditions paramount to the type of economic development it looks to promote and invest behind. Following the call, the Investment Manager felt reassured that the company has acted in a proper fashion and that no human rights or UNGC/PAI considerations have been breached. The Investment Manager made no adjustment to our ESG scoring following this engagement.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.



Indicator <sup>6</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>7</sup>
GHG Emissions (TCO2e)	Scope 1	25,850.8	88.7%	190,752.6	99.7%	-86.4%
	Scope 2	18,856.4	88.7%	40,861.2	99.7%	-53.9%
	Scope 1 & 2	44,707.1	88.7%	231,613.7	99.7%	-80.7%
Carbon Footprint (TCO2e/€m Invested)	Scope 1 & 2	33.7	88.7%	172.9	99.7%	-80.5%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	114.7	88.7%	354.8	99.7%	-67.7%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	109.9	88.7%	322.7	99.7%	-66.0%
Female Board Representation (%)		18.7	89.0%	17.8	100.0%	5.1%



### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Taiwan Semiconductor Manufacturing	Technology	9.7	Taiwan
Samsung Electronics	Technology	7.6	Republic of South Korea
Tencent	Communications	4.4	Cayman Islands
Reliance Industries	Energy	4.2	India
Phoenix Mills	Financial	4.1	India
HDFC Bank ADR	Financial	3.2	India
Ivanhoe Mines	Materials	3.0	Canada
Grupo Financiero Banorte	Financial	2.9	Mexico
PINDUODUO	Consumer Discretionary	2.7	Cayman Islands
MercadoLibre	Communications	2.7	United States
eMemory Technology	Technology	2.4	Taiwan
SK Hynix	Technology	2.4	Republic of South Korea
Itau Unibanco	Financial	2.3	Brazil
Globant	Technology	2.2	Luxembourg
Chroma ATE	Industrial	2.1	Taiwan

<sup>6</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI Emerging Market Net Total Return Index. The allocated emissions of investee companies' are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €1,000m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability. Figures may differ due to rounding and currency conversion effects.

<sup>7</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Emerging Market Stars Fund continued



**Asset allocation** describes the share of investments in specific assets.

### What was the proportion of sustainability-related investments?

#### ● What was the asset allocation?

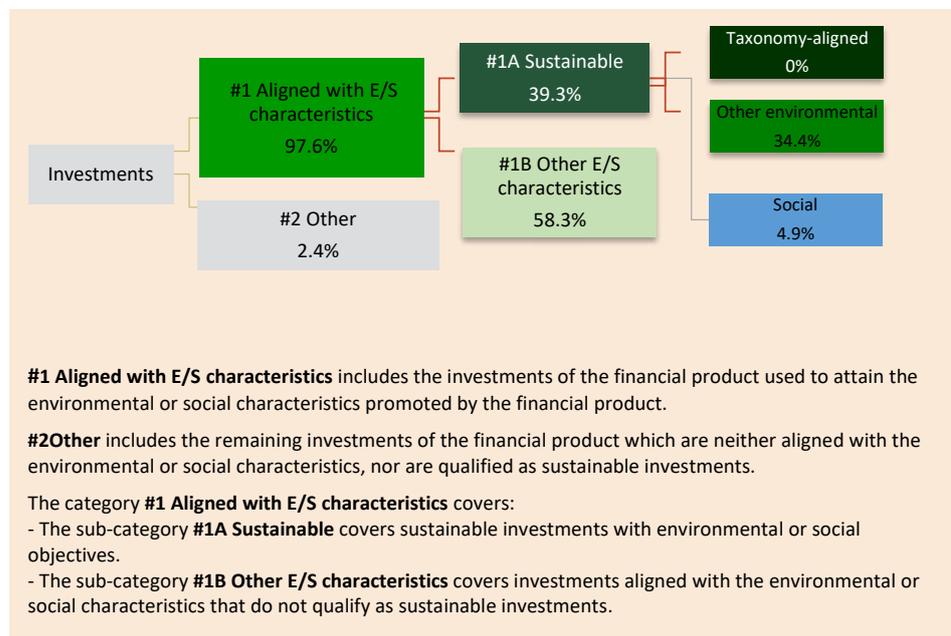
100% of the companies the Fund invested in were assessed under the Investment Manager’s EVA Framework, which is used to assess and deliver the environmental or social characteristics promoted by the Fund.

All investments, excluding cash, attained the characteristics of the Fund on an individual basis over the reference period.

During the reference period, the Fund averaged 97.6% investment in equity and equity warrants. Therefore, on average 97.6%<sup>8</sup> of the investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund.

While the Fund does not have sustainable investing as its objective, the Fund invested 39.3%<sup>9</sup> of its investments in Sustainable Investments with an environmental or social objective.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’, ‘#1A sustainable’ etc.)*



<sup>8</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, aligned with the Fund’s characteristics. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>9</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments as at 31 December 2023.

● **In economic sectors were the investments made?**

Economic Sectors	% Assets <sup>10</sup>
Technology	30.6
Financial	23.6
Communications	11.2
Industrial	8.5
Materials	5.6
Energy	5.5
Consumer Discretionary	4.7
Real Estate	2.3
Funds	2.0
Consumer Staples	1.3
Consumer, Cyclical	1.1
Consumer, Non-cyclical	1.1
Industrials	0.9
Health Care	0.8
Basic Materials	0.8

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

During the reference period the only material exposure to fossil fuels within the Fund was via Reliance Industries in India. Given the large, transformative transition this company is undertaking from a high emissions petrochemicals business to a leader in renewable energy such as solar, battery storage and hydrogen, the Investment Manager undertakes additional engagement by means of a long-term collective investor engagement programme under Climate Action 100+ to ensure the company is held to account and there is continued oversight. The Investment Manager co-leads this engagement with other investors and spent significant time during 2023 visiting management at their operations in India.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund's net assets.

<sup>10</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

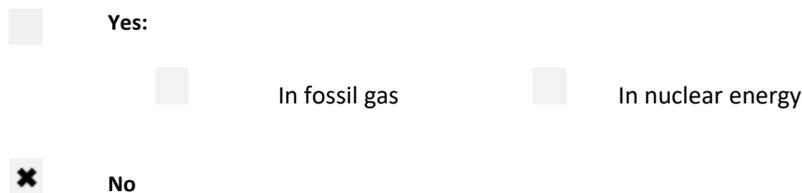
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Emerging Market Stars Fund continued

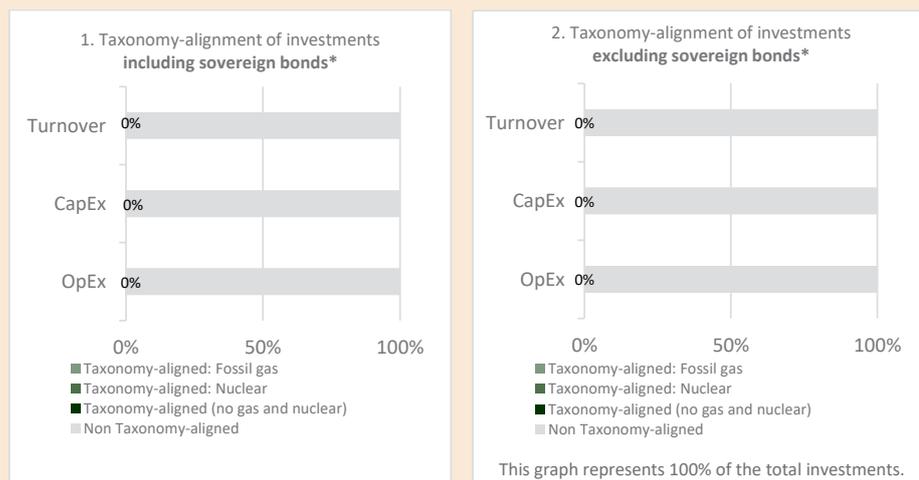
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>11</sup>?**



*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund’s net assets.

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund's net assets.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Over the reference period, the percentage of Sustainable Investments with an environmental objective not aligned with the EU Taxonomy was 34.4%.<sup>12</sup>

In order to satisfy itself that an investment is environmentally sustainable pursuant to the Taxonomy Regulation, the Investment Manager must (a) be satisfied that the investments underlying the Fund are in environmentally sustainable activities (b) identify the extent to which the investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation; (c) identify the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable activities which are aligned with the Taxonomy Regulation; and (d) identify the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities (as described in the Taxonomy Regulation).

At the present time, the Investment Manager cannot satisfy itself that the Fund's investments meet the criteria outlined above. Accordingly, the proportion of investments of the Fund invested in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, is 0% of the Fund's net assets.



**What was the share of socially sustainable investments?**

During the reference period the percentage of Sustainable Investments with a social objective within the Fund was 4.9%.<sup>13</sup>

<sup>12</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with an environmental objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>13</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments with a social objective. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued



#### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

During the reference period, an average of 2.4% of the Fund’s investments were identified as #2 Other in the above diagram and were held in cash for liquidity purposes in line with the Fund’s Investment Policy. There are no minimum environmental or social safeguards applicable to these investments.<sup>14</sup>



#### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Using company specific knowledge and often engagement with company representatives, the Investment Manager assessed every prospective investee company, prior to purchase, using the Investment Manager’s Proprietary quantitative Economic Value Added (EVA) Wheel Model. The Investment Manager used the EVA Wheel to evaluate how investee companies contributed to future sustainable economic development (its Impact on Progress), how a company managed its key risks and opportunities from an ESG perspective (its Material ESG Issues) and how a company ensures it acted as a responsible corporate citizen (its Business Ethics).

Each company was assigned a quantitative score based on these three areas. The Investment Manager carried out this evaluation using a variety of sources, including information and data published by the companies themselves and third party data and research providers. Every prospective investment was also assessed against the Fund’s exclusion criteria.

The following are engagement examples carried out during the reference period:

##### **Merdeka Copper Gold**

The Investment Manager has followed Merdeka Copper Gold for a number of years and part of the Investment Manager’s visit to operations on the ground in rural Indonesia was in order form a further assessment of the company’s ESG practices on a deep-dive basis.

The company is committed to a net zero 2050 target and, prior to that, reducing GHG emissions by 29% by 2030. The company is already using a lot of renewable energy from geothermal sources, and have some solar capacity. The Tujuh Bukit mine will use 100% renewable energy from this year. The company’s carbon offsetting program which includes significant mined land rehabilitation and mangrove restoration, which also enhances biodiversity, was also encouraging to see. Impressively the company’s water data is linked to the government’s environmental office in real time, which is relevant for the government’s ongoing work on permitting for environmental issues.

<sup>14</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the Fund’s characteristics. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December 2023.

There is more to come from Merdeka on environmental improvements but the progress and action so far is an encouraging mark of management attention here – indeed ESG factors are part of the executive compensation structure. There are undeniably some high risk ESG issues, but they are being well managed and mitigated.

### **Samsung Electronics**

Samsung Electronics (Samsung) is a South Korean semiconductor and consumer electronics company with global leading market shares in memory semiconductor manufacturing, smartphones, TVs and other consumer electronic goods.

The Investment Manager engaged with Samsung regarding their level of GHG emissions and proposed mitigating actions going forward. The company has set net zero targets on a Scope 1+2 basis by 2050 and were able to clarify that they expect to be at Net Zero by 2030 in the DX division, although only by 2050 across the group. Encouragingly, this target is predominantly driven by a reduction in gross emissions rather than the use of any carbon offsetting which will only be used as a last resort.

Samsung also stated that they will give more Scope 3 disclosures and a Scope 3 target by FY23 and there was a realisation from the company that this data is important and they are preparing a 'readiness' framework consistent with supply chain directives (they have over 2000 suppliers so the work required is extensive).

Samsung further explained that whilst implementing Science Based Target Initiative (SBTi) accreditation is a very active conversation internally, the constraint for them is the fact that SBTi adoption mandates emissions reductions of just over 1% p.a. to 2030 and this is incredibly difficult to reconcile with the fact that Samsung is quite a fast growing business, and secondly, SBTi does not yet have sector specific guidance for their industry.

The main bottleneck to achieving reductions is the reliance of the South Korean state on fossil fuels, where currently only 7-8% of South Korean power generation comes from renewables – this is the lowest percentage renewable energy share of any OECD country. This is only likely to rise to 22-3% by 2030 as fossil fuel power remains far cheaper in the country. Samsung intend to be 100% reliant on renewable energy from imported sources by 2027.

Samsung believe their Scope 1+2 emissions peaked in 2021, which should mean they are proving they are in fact able to grow rapidly whilst reducing emissions and that their approach to metric adoption and data release has been somewhat slow and cautious.

It does now appear that this is an issue the company is taking very seriously, committing significant resource to and the Investment Manager is seeing a marked improvement which it hopes and expects to continue and will continue to engage with the company on this basis. The Investment Manager's process favours 'improver' companies which are able to show ongoing progress on ESG issues and thereby derive material operational, financial and real world gains which the Investment Manager believes leads to very attractive share price returns.

### **Reliance Industries**



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Emerging Market Stars Fund continued

The Investment Manager remains a co-lead investor of a long-term collective investor engagement programme under Climate Action 100+ to ensure the company is held to account and that there is continued oversight given the large, transformative transition this company is undertaking from a high emissions petrochemicals business to a leader in new energy such as solar, battery storage and hydrogen.

The Investment Manager spent significant time during the review period visiting management at their operations in India. During this time management expressed confidence in being able to achieve their net zero target by 2035 even ahead of time, though currently the company are maintaining focus on execution, reducing unit costs of energy and moving into wind to increase up-time and solve for critical round-the-clock power and predictability.

Compared to the previous year, the Investment Manager notes that Reliance Industries' decarbonization strategy took shape as the company identified the set of actions and investments it intends to undertake to achieve its GHG reduction targets. Capital expenditure in the New Energy Business is on track to reach 10GW of solar module manufacturing capacity by 2024, and 20GW by 2026, with battery capacity for large scale energy storage to reach 5GWh by 2024 and 50GWh by 2027. Moreover, Reliance Industries expanded its plans when it comes to renewable power generation, reiterated its commitment to further investment in India's energy transition and welcomed partnerships with international investors. On the consolidated level, FY 2022 emissions performance showed improvement year on year with some reduction across most GHG metrics. However, outside of Reliance Jio, detailed TCFD aligned segment reporting is yet to be achieved.

Based on preliminary TPI/FTSE Russell assessment results, Reliance Industries' commitment towards alignment of disclosures with TCFD recommendations has been recognized, although more needs to be done in terms of standardization. On the positive side, additional steps were taken by the company during the review period including the announced Board Committees overhaul that the Investment Manager tends to attribute, in part, to the engagement group efforts, including a letter sent by one of the participants. The new ESG Committee is set to 'review progress towards meeting the Group's ambitions regarding its Net Carbon Footprint, Climate Change, Circular Economy, the Energy Transition and inclusive growth'. It should, at least partially, meet the requirements under the TPI's Indicator 8: Climate Governance. The Investment Manager continues to be very active with the group engagement, and will continue to engage as per the established plan recalibrated for 2024 in accordance with the CA100+ Net Zero Company Benchmark.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How does the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## European ex UK Income Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – European ex UK Income Fund (the “Fund”)

**Legal entity identifier:** 549300Q9605P02TCDU17

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics through the application of its investment strategy. Using the Investment Manager’s proprietary ESG analysis tool (the “European ex UK Income Fund framework”), the Fund took positions in companies with positive aggregate scores against four categories:

- i. **Governance and Culture** - This category concerns a company’s policies relating to its corporate culture and behaviour, including policies in relation to employee welfare.
- ii. **ESG Strategy and Technology** - This category concerns the positive environmental and social impacts of a company’s products and services.
- iii. **Stakeholder Due Diligence** - This category concerns a company’s practices and policies in relation to all its stakeholders.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- iv. **Environmental Risk Analysis** - This category concerns a company's interaction with, and material impacts on, the environment.

● **How did the sustainability indicators perform?**

Over the reference period, 0% of the Fund's investments failed the Fund's exclusion criteria.

The Fund used the European ex UK Income Fund Framework and compliance with the Fund's exclusion criteria to measure the attainment of the Fund's ESG characteristics against the four categories described above.

The European ex UK Income Fund Framework consists of a sustainability score measured across three categories: Governance and Culture, Strategy & Technology and Stakeholder Due Diligence (which are scored on a combined basis), and Environmental Risk Management.

Each of these three categories is scored out of 5, resulting in an aggregate score out of 15. In March 2023, June 2023, September 2023 and December 2023, 100% of the investee companies in the Fund remained aligned with the promoted characteristics, each passing the exclusion criteria and meeting the minimum combined score of 5 out of 15. At year end, in December, across all investee companies, the lowest score remained 12 out of 15<sup>1</sup>.

The table below shows the Fund's performance against the sustainability indicators for the reference period<sup>2</sup>.

	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	2023 Average
Pillar 1 Score Governance and Culture	4.5	4.6	4.5	4.5	4.5
Pillar 2 Score Strategy & Technology and Stakeholder Due Diligence	4.4	4.4	4.5	4.4	4.5
Pillar 3 Score Environmental Risk Management	4.7	4.7	4.6	4.7	4.7
Overall Score	13.7	13.7	13.6	13.6	13.6

During the reference period, two investee companies' scores increased. Whilst none of the investee companies' scores decreased during the reference period, certain positions were rotated out of, and new positions entered in to, which impacted the Fund's overall score. In Q1, one investee company's scores incrementally increased, and the other incremental increase in companies' scores occurred in Q4 2023.

<sup>1</sup> The portfolio alignment is calculated through investee companies' alignment with the Fund's exclusion criteria and the percentage of companies that have positive or credible improving scores against the European ex UK Income Fund Framework during the period for which the Fund was classified as an Article 8 Fund under the SFDR.

<sup>2</sup> This shows the equal weighted average score of the Fund, excluding cash, across each of the three categories of the European ex UK Income Fund Framework at the end of each quarter. The Overall Score is calculated as a sum of the Fund's score against each category of the European ex UK Income Fund Framework.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### European ex UK Income Fund continued

#### ● **...and compared to previous periods?**

Relative to previous periods, in which the scores were appropriately high, scores during the reference period remained stable. Changes in average scores were reflective not in changes of the scores of the underlying companies, but were a result of changed holdings in the portfolio.

	2022 Average <sup>3</sup>
Pillar 1 Score Governance and Culture	4.6
Pillar 2 Score Strategy & Technology and Stakeholder Due Diligence	4.5
Pillar 3 Score Environmental Risk Management	4.6
Overall Score	13.7

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

#### ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

#### ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

<sup>3</sup>The Fund's average exposure to each of the characteristics promoted by the Fund is calculated by taking a simple average of the quarterly exposures (September and December 2022).

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager integrated the principal adverse impact indicators (PAIs) set out in Annex I, Table 1 of the SFDR into its European ex UK Income Fund framework for the Fund as a component of its sustainability score (which is out of 15).

As outlined above, the sustainability score is comprised of three sections which are each scored out of 5: Governance and Culture (scored out of 5), Strategy & Technology and Stakeholder Due Diligence (scored out of 5) and Environmental Risk Management (scored out of 5).

The chosen PAI indicators are mapped onto these sections in the following manner. The percentage of female directors and a company's gender pay gap are used to assess the Governance and Culture of a company. To assess a company's Strategy & Technology, the Investment Manager looks at factors such as supply chain management, and the design, quality and safety of products. UNGC violations and the confirmation that a company is a UNGC signatory are factors considered under Stakeholder Due Diligence.

In regard to Environmental Risk Management, the Investment Manager incorporates assessment of the following principal adverse impacts: the company's greenhouse gas (“GHG”) emissions, the company's carbon footprint and greenhouse gas intensity, the company's fossil fuel exposure, the company's production and consumption of non-renewable energy, the company's energy consumption intensity, the company's level of emissions to water, the company's hazardous waste ratio and the company's impact on biodiversity.

Having measured all available data for investee companies, the Investment Manager first engages to encourage investee companies to consider and disclose all 14 of the principal adverse impact indicators.

The Investment Manager has therefore engaged with all of the holdings in its portfolio across the reference period, including the likes of UPM-Kymmene, Swiss Re and NOS (amongst other companies) to ensure that all information necessary to measure the PAIs is provided (as currently complete coverage is lacking).

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons such as cluster munitions and anti-personnel mines.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### European ex UK Income Fund continued

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>4</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>5</sup>
GHG Emissions (TCO <sub>2</sub> e)	Scope 1	6,345.1	100.0%	17,601.5	99.8%	-64.0%
	Scope 2	2,391.0	100.0%	3,444.3	99.8%	-30.6%
	Scope 1 & 2	8,736.1	100.0%	21,045.8	99.8%	-58.5%
Carbon Footprint (TCO <sub>2</sub> e/€m Invested)	Scope 1 & 2	30.4	100.0%	71.9	99.8%	-57.7%
GHG Intensity (TCO <sub>2</sub> e / €m Revenue)	Scope 1 & 2	40.1	100.0%	146.8	99.8%	-72.7%
Weighted Average Carbon Intensity (TCO <sub>2</sub> e / \$m Revenue)	Scope 1 & 2	38.3	100.0%	89.9	99.8%	-57.4%
Female Board Representation (%)		40.7	100.0%	40.6	100.0	0.4%

<sup>4</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI Daily Net Total Return Europe ex UK Index. The allocated emissions of investee companies is calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €292.7 m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>5</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
TotalEnergies	Energy	5.0	France
Roche	Consumer, Non-cyclical	4.9	Switzerland
Sanofi	Consumer, Non-cyclical	4.5	France
Novartis	Consumer, Non-cyclical	4.2	Switzerland
Siemens	Industrial	4.1	Germany
Deutsche Telekom	Communications	3.9	Germany
Zurich Insurance Group	Financial	3.8	Switzerland
Danone	Consumer, Non-cyclical	3.8	France
Vinci	Industrial	3.7	France
Deutsche Post	Industrial	3.4	Germany
Swiss Re	Financial	3.4	Switzerland
Pernod Ricard	Consumer Staples	3.3	France
UPM-Kymmene	Basic Materials	3.3	Finland
Coca-Cola Europacific Partners	Consumer Staples	3.3	United King
Orange	Communications	3.2	France



### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

**Asset allocation** describes the share of investments in specific assets.

#### ● *What was the asset allocation?*

The Fund invested primarily in securities of issuers that are incorporated, have their headquarters, or exercise a significant part (greater than 20%) of their economic activities in European markets/ countries (excluding the United Kingdom).

The Investment Manager used the European ex UK Income Fund Framework to assess the environmental and social characteristics (“E/S”) of each investee company. 100% of the companies the Fund invests in were assessed under the European ex UK Income Fund Framework.

During the reference period, an average of 98.9<sup>6</sup> of the investments of the Fund were used to meet the environmental and social characteristics promoted by the Fund by passing the exclusion criteria and meeting the minimum company score of 5 out of 15.

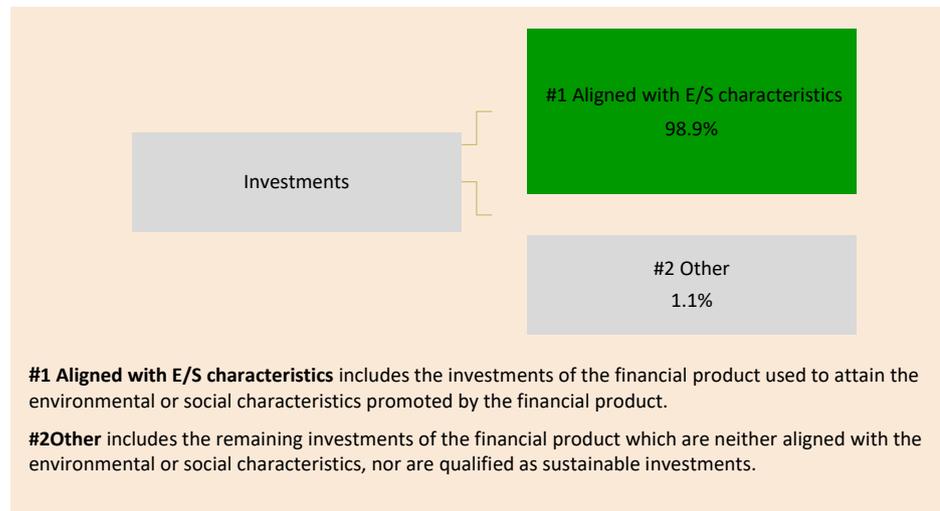
<sup>6</sup> This shows the portfolio weighted average of the assets of the Fund, including cash, which were aligned with the characteristics during the reference period. The average alignment is calculated as a simple average of the portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### European ex UK Income Fund continued

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)



#### ● In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>7</sup>
Industrial	23.2%
Consumer, Non-cyclical	20.4%
Financial	18.3%
Communications	15.4%
Consumer Staples	9.7%
Basic Materials	8.0%

The Fund has held two companies with exposure to fossil fuels during the reference period.

#### **TotalEnergies SE (Total)**

The Investment Manager continues to hold TotalEnergies in the portfolio. TotalEnergies is a French multinational energy company, providing fuels, natural gas and electricity and operating across four segments: Exploration and Production, Gas, Renewables & Power, Upstream Oil and Gas Activities, Refining & Chemicals and Marketing & Services. The Investment Manager is of the opinion this company is instrumental in leading the energy transition.

TotalEnergies is committed to achieving net zero by 2050 and was one of the founding companies of the Oil and Gas Climate Initiative. By 2050, TotalEnergies has clearly outlined that 50% of its energy would be generated by low-carbon electricity, whilst another 25% of energy generated would emerge from decarbonised fuels such as biogas, hydrogen or synthetic liquid fuels.

<sup>7</sup> This figure shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To achieve net zero therefore, the company has been investing in carbon storage and sequestration projects to mitigate any residual emissions. Moreover, TotalEnergies has been integrating carbon pricing, and charges an internal carbon price to its operations to manage energy and allocate capital more effectively. Roughly a quarter of TotalEnergies' 2022 capital expenditure was dedicated to electricity and low-carbon molecules. This will help TotalEnergies to achieve the 30% reduction in sales of petroleum products by 2030 that the company is targeting.

#### UPM-Kymmene Corporation (UPM)

The Investment Manager continues to hold UPM in the portfolio. UPM is a global forest company. UPM's business segments include UPM Biorefining, UPM Energy, UPM Raflatac, UPM Specialty Papers, UPM Communication Papers and UPM Plywood and Other operations. UPM is focussed on providing customers with responsibly sourced products and mitigating its environmental impact.

Significantly, the UPM Energy business segment is an electricity producer and is the second largest provider of electricity in Finland. It generates zero-carbon electricity in both independently owned and co-owned power plants through hydropower, nuclear and thermal power. Currently, 95% of electricity production is emission-free. UPM has been investing in biofuels since 2015, providing customers (such as oil refiners, distributors and retailers) with a low emissions alternative to traditional fossil fuels. UPM's BioVerno fuel, which is made from crude tall oil (a by-product of wood pulp manufacture), produces 80% less greenhouse gas emissions than fossil diesel.

UPM has carbon reduction targets that are aligned with the Paris Agreement, and are validated by the Science Based Targets initiative. The company aims to eliminate coal and peat usage in on-site energy generation, and reduce its carbon dioxide emissions from on-site combustion by 65% in 2030.



#### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

#### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>8</sup>?

- Yes:
- In fossil gas     In nuclear energy
- No

<sup>8</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

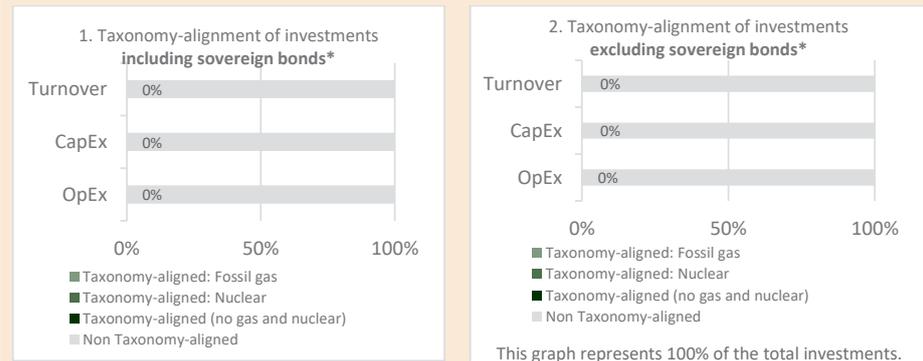
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## European ex UK Income Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, an average of 1.1% of the Fund's investments were identified as #2 Other in the above diagram and were held in cash in line with the Fund's Investment

Policy. There are no minimum environmental or social safeguards applicable to these investments.<sup>9</sup>



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

Using company specific knowledge, and often engagement with company representatives, the Investment Manager assessed every prospective investee company, prior to purchase, using the European ex UK Income Fund Framework.

The Investment Manager used the European ex UK Income Fund Framework to evaluate the ESG performance of companies against the three categories highlighted above and carried out this evaluation using a variety of sources, including information and data published by the companies themselves and third-party data and research providers. Every prospective investment is also assessed against the Fund's exclusion criteria.

The Investment Manager had interactions with investee companies across its entire portfolio to ensure that the promoted characteristics of the Fund are met. In particular, the Investment Manager has focused on improving disclosure of the PAI metrics considered by the Fund across all of the investee companies. This enables the Investment Manager to assess companies regardless of their sector, and therefore provides a basis for engagement. The Investment Manager does, in addition, engage with investee companies on any issues that the Investment Manager feels may pose a future material risk to the investment thesis.

In the first quarter of the year, the score assigned to Roche was incrementally increased. This is because Roche had demonstrated that it continued to execute its carbon reduction measures, and moreover that Roche aligned itself with the Science Based Targets initiative, resulting in further credibility in the company's climate actions.

Similarly, in the final quarter of the year, Sanofi's score was adjusted upwards, as the company's product liability concerns were viewed as legacy issues. Sanofi's management team had repeatedly addressed concerns regarding Zantac, a medication which faced issues related to possibly containing carcinogens, and thereby Sanofi's scoring was adjusted in line with its peers (Novartis and Roche).

In the final two quarters of the year, food and beverage holdings, CCEP and Danone, were engaged with regarding their supply chain monitoring and interactions with suppliers, and the Investment Manager was reassured by the companies' audit processes. This engagement was facilitated by the food-and-beverage research from "Know the Chain", a non-profit organisation providing benchmarks on companies' supply chain practices.

<sup>9</sup> This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, not aligned with the Fund's characteristics. The average is calculated as a simple average of the percentage of the Fund's assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### European ex UK Income Fund continued



#### How did this financial product perform compared to the reference benchmark?

No reference benchmarks has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Financial Credit Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Polar Capital Funds plc – Financial Credit Fund (the “Fund”)

**Legal entity identifier:** 549300YP7PDRHQ4IAT53

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

**Yes**

It made **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Fund promoted environmental and social characteristics through the application of its investment strategy. Using the Investment Manager’s proprietary ESG analysis tool ‘Financials Team ESG Framework’, the Fund excluded companies which were deemed to demonstrate poor environmental or social characteristics as assessed through the Financials Team ESG Framework and its exclusion policy<sup>1</sup>.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

<sup>1</sup> Please be aware that the Fund’s name, investment objective and investment strategy changed on 28 December 2023. However, the environmental and social characteristics, sustainability indicators and elements of the investment strategy used to pursue these characteristics remained consistent following the change.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Credit Fund continued

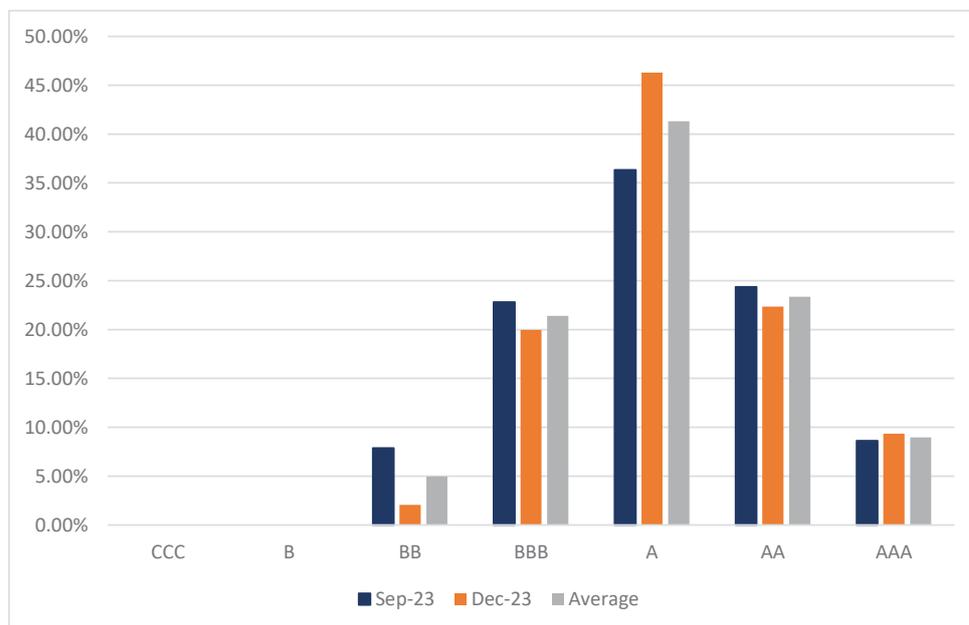
● **How did the sustainability indicators perform?**

The Investment Manager used the Financials Team ESG Framework to measure the attainment of the Fund’s ESG characteristics. The Investment Manager also used adherence to the Fund’s exclusion policy as an indicator to measure attainment of the Fund’s environmental and social characteristics.

All companies in the Fund were assessed under the Financials Team ESG Framework. Further to this, all companies rated ‘CCC’ in accordance with the overall framework and all companies rated ‘CCC’ for governance under the Financial Team ESG framework were excluded from the Fund.

As a result, over the reference period, on average 96.7% of the investments of the Fund, on a portfolio weighted basis as a percentage of total assets including cash, were used to meet the environmental or social characteristics promoted by the Fund<sup>2</sup>. Also, at the time of the Fund’s investment, 0% of investee companies failed the exclusion criteria.

During the reference period, the Fund opened 19 and closed 29 long positions. This resulted in a marginal change in the internal ESG rating distribution of the Fund, with the % of ‘A’ rated companies increasing 10%, to 46%. The weighted average rating of the Fund, however, remained constant at ‘AA’.



<sup>2</sup> The figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, which was aligned with the Fund’s characteristics as a result of passing the minimum criteria for investment set out in the Financials Team ESG Framework. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since the Fund was classified as an Article 8 Fund (i.e. 30 September and 31 December).

● **....and compared to previous periods?**

The Fund was classified as an Article 8 Fund on 28 August 2023 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Credit Fund continued



#### How did this financial product consider principal adverse impacts on sustainability factors?

When assessing a company's impact on the environment, the Investment Manager considered greenhouse gas ("GHG") emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives.

Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. Where material revenues were flagged, the Investment Manager assessed the company's carbon reduction policies or targets related to achieving net zero.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

The Investment Manager also took into account as part of its process the standards of the United Nations Global Compact, and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident to decide the appropriate action to take: whether to monitor, enter enhanced engagement, or divest from the company. No companies were involved in severe norms violations over the reference period, so no action was taken.

The Fund opened a position in National Australia Bank prior to its designation as an Article 8 Fund. The company was, however, subsequently downgraded by a 3<sup>rd</sup> party ESG data provider for Norms Based Standards in relation to labour and human relations management, specifically related to alleged underpayment of employees. Upon hearing of this action, the Investment Manager engaged with the company's management to determine the veracity and severity of these allegations. This engagement indicated that issues related to historic behaviour (dating back to 2012), and had been addressed by the company's payroll review – a comprehensive examination of the company's compliance with obligations to colleagues relating to remuneration. The Investment Manager was given comfort that this review, and the accompanying remediation programme, were completed in December 2022, with all known remediation matters resolved.



Indicator <sup>3</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>4</sup>
GHG Emissions (TCO2e)	Scope 1	31.6	75.2%	31.1	85.1%	1.8%
	Scope 2	17.0	75.2%	20.9	85.1%	-18.6%
	Scope 1 & 2	48.7	75.2%	52.0	85.1%	-6.4%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	1.9	75.2%	1.8	85.1%	4.7%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	7.8	75.2%	8.1	85.1%	-4.0%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	4.6	75.2%	6.1	85.1%	-25.5%
Female Board Representation (%)		41.5%	76.8%	37.9%	86.3%	9.5%



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
United States Treasury Note/Bond	National	6.1%	United States
JPM. CHASE F2F 28/04/2026	Banking	4.0%	United States
CaixaBank	Banking	3.9%	Spain
Riverstone Credit Opportunities	Investment Companies	3.7%	United Kingdom
Investec	Banking	3.5%	United Kingdom
Intesa Sanpaolo	Banking	3.4%	Italy
AIB Group	Banking	3.1%	Ireland
IG	Financial Services	3.0%	United Kingdom
Australia & New Zealand Banking	Banking	2.8%	Australia
Lancashire	Insurance	2.8%	Bermuda
Eurobank Ergasias	Banking	2.7%	Greece
SHAWBROOK GRP. F2V 04/01/2034	Banking	2.5%	United Kingdom
International Personal Finance	Diversified Financial Services	2.5%	United Kingdom
Nationwide Building Society	Savings & Loans	2.5%	United Kingdom
National Australia Bank	Banking	2.4%	Australia

<sup>3</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: ICE BofA Global Financial Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €29.3 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>4</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Financial Credit Fund continued



### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

#### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.

Prior to the change in the Fund’s investment focus in December 2023 the Fund invested primarily in the equity, debt and other securities of financial companies worldwide. The Investment Manager used the Financials Team ESG Framework to assess the environmental and/or social characteristics (“E/S”) of each investee company.

100% of the companies, corporate bond issuers and sovereign debt the Fund invested in were assessed under the Investment Manager’s Financials Team ESG Framework, which was used to assess and deliver the environmental or social characteristics promoted by the Fund.

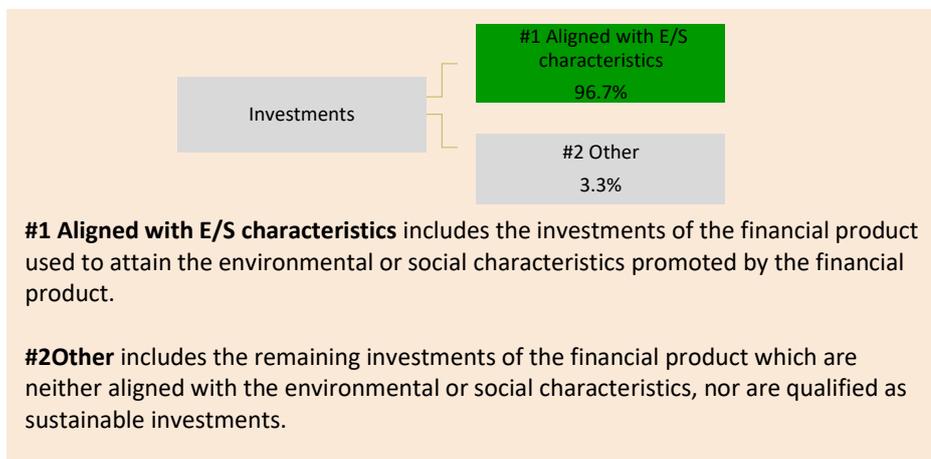
During the reference period, an average of 96.7% of investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund<sup>5</sup>.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



<sup>5</sup> The figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, aligned with the Fund’s characteristics as a result of passing the minimum criteria for investment set out in the Financials Team ESG Framework. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since the Fund was classified as an Article 8 Fund (i.e. 30 September and 31 December).

● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>6</sup>
Banking	57.93
Insurance	14.24
Financial Services	9.09
National	6.14
Investment Companies	4.63

The Fund has held one company with exposure to fossil fuels during the reference period: **Riverstone Credit Opportunities Income**. Riverstone is a closed-ended investment company, which invests exclusively in the global energy industry through a portfolio of senior secured loans. Whilst traditionally focusing on energy infrastructure, Riverstone has increasingly lent to energy transition businesses in recent years, with these companies accounting for Riverstone's entire loan portfolio at end-September 2023. Furthermore, in order to ensure that investments have a positive impact on the climate, each deal is structured as either a 'Green' or 'Sustainability-linked' loan.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>7</sup>?**



Yes:



In fossil gas



In nuclear energy



No

<sup>6</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2023.

<sup>7</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy Regulation are laid down in Commission Delegated Regulation (EU) 2022/1214.

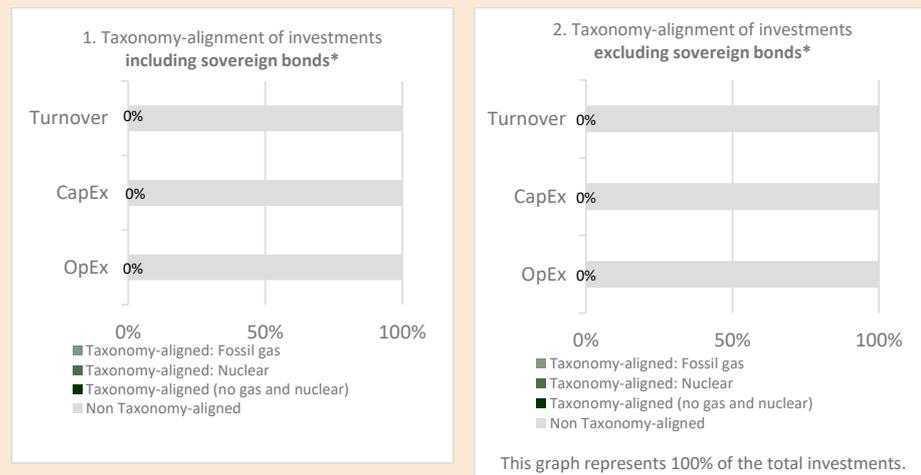
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Financial Credit Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments with a social objective.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.





### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, an average of 3.3% of the Fund’s investments identified as #2 Other in the above diagram were held in cash in line with the Fund’s Investment Policy. There were no minimum environmental or social safeguards applicable to these investments.<sup>8</sup>



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In accordance with the investment strategy for the Fund, the Investment Manager assessed every prospective investee company using the Financial Team ESG Framework. This involves an analysis of the company’s environmental, social and governance profile (against a variety of indicators, including but not limited to total greenhouse gas (GHG) emissions intensity per revenue, the quality of data security and the level of director remuneration), and the assignment of a specific ESG rating from ‘AAA’ to ‘CCC’.

The governance analysis also includes a qualitative factor, based on an assessment of the company’s risk management practices, strategic consistency, litigation/reputational risk and stakeholder engagement, informed through interactions with the company and the responsiveness of its management. When considering risk management practices, both management structures and tax compliance are assessed.

Every existing holding is assessed on the same basis and its alignment is monitored on an on-going basis. The Investment Manager used a variety of information sources to assess each company including, but not limited to, company financial accounts and statements, third party research, and engagement and dialogue with management.

During the reference period, for example, engagement with Bank of Cyprus management reassured the Investment Manager that the company’s governance rating, including the qualitative factor, was still appropriate. This followed press articles alleging close connection between Cypriot economic activity and Russia, post the invasion of Ukraine, and confirmation by the bank’s management that internal customer reviews to determine any potential exposure had already been completed.

Further reassuring interactions were conducted, during the period, with IG Group Holdings, a UK-listed online trading company, with a diverse geographical footprint. The Investment Manager was able to challenge company management, via email, and subsequently, at an in person meetings, about client onboarding following press articles about alleged mis-selling in Australia, and a fraudulent trade in Europe. This interaction reassured that the company’s onboarding process was comprehensive, with minimum levels of income and savings required for account opening, and extra verifications needed depending on risk profile.

<sup>8</sup> This figure shows the portfolio weighted average of the assets of the Fund, including cash, which were classified as other investments and therefore not aligned with the characteristics during the reference period. The average alignment is calculated as a simple average of the portfolio weighted alignment at 30 September 2023 and 31 December 2023.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Credit Fund continued

Another example of the Investment Manager's interaction with company management during the period was with Advanzia, a German-focused credit card business with total assets of €3.9bn. The discussion here covered the company's recent establishment of an ESG Committee, tasked with developing and implementing the company's ESG strategy and management framework. The Investment Manager also discussed the lack of independent board members, and whether this was idiosyncratic or a product of company being privately owned. This engagement, along with an analysis of the company's disclosure, and third-party research, resulted in the company receiving an ESG rating of 'BBB'.

One of the Fund's holdings was exited during the reference period, driven in part by a reassessment of the company's qualitative governance scores. This reassessment, which included a review of the company's engagement and transparency, resulted in a downgrade of the company's governance rating from 'BB' to 'B'. With this considered to be an automatic threshold for advanced due diligence, and the downgrade relating to the company's engagement and transparency, it was considered more prudent to exit the entire position.



#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Financial Opportunities Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – Financial Opportunities Fund (the “Fund”)

**Legal entity identifier:** 5493002S3AKH0NJB3B27

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics through the application of its investment strategy. Using the Investment Manager’s proprietary ESG analysis tool (the ‘Financials Team ESG Framework’), the Fund excluded companies which were deemed to demonstrate poor environmental or social characteristics as assessed through the Financials Team ESG Framework and its exclusion policy.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Opportunities Fund continued

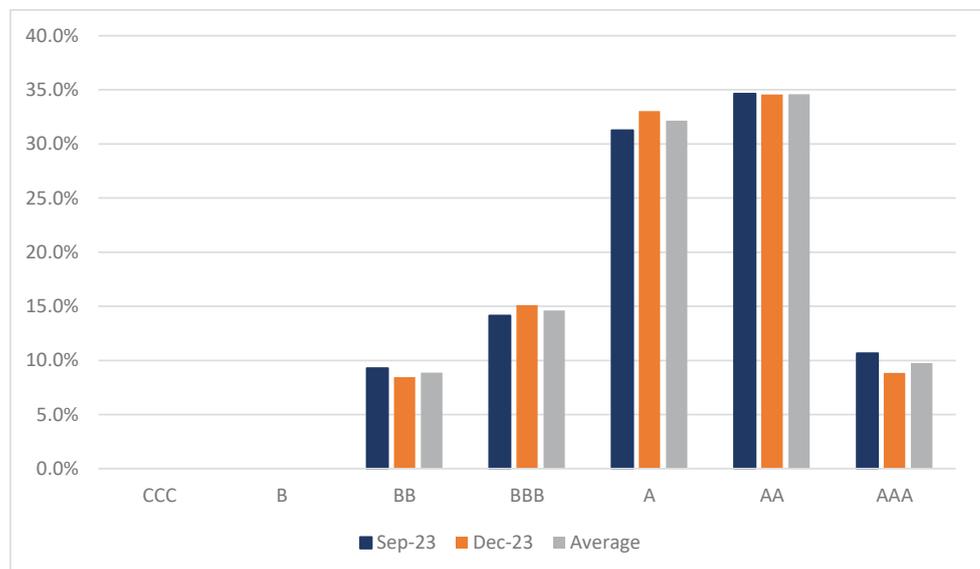
● **How did the sustainability indicators perform?**

The Investment Manager used the Financials Team ESG Framework to measure the attainment of the Fund’s ESG characteristics. The Investment Manager also used adherence to the Fund’s exclusion policy as an indicator to measure attainment of the Fund’s environmental and social characteristics.

All companies in the Fund were assessed under the Financials Team ESG Framework. Further to this, all companies rated ‘CCC’ in accordance with the overall framework and all companies rated ‘CCC’ for governance under the Financial Team ESG framework were excluded from the Fund.

As a result, over the reference period, on average 96.9% of the investments of the Fund, on a portfolio weighted basis as a percentage of total assets including cash, were used to meet the environmental or social characteristics promoted by the Fund<sup>1</sup>. Also, at the time of the Fund’s investment, 0% of investee companies failed the exclusion criteria.

During the reference period, the Fund opened 15 and closed 9 long positions. This resulted in a marginal change in the internal ESG rating distribution of the Fund, with the percentage of ‘A’ rated companies increasing by 2%, to 33%. The weighted average rating of the Fund, however, remained constant at ‘AA’.



<sup>1</sup> The figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, which was aligned with the Fund’s characteristics as a result of passing the minimum criteria for investment set out in the Financials Team ESG Framework. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since the Fund was classified as an Article 8 Fund (i.e. 30 September and 31 December).



● **....and compared to previous periods?**

The Fund was classified as an Article 8 Fund on 28 August 2023 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Opportunities Fund continued



#### How did this financial product consider principal adverse impacts on sustainability factors?

When assessing a company's impact on the environment, the Investment Manager considered greenhouse gas ("GHG") emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives.

Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. Where material revenues were flagged, the Investment Manager assessed the company's carbon reduction policies or targets related to achieving net zero.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

The Investment Manager also took into account as part of its process the standards of the United Nations Global Compact, and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident to decide the appropriate action to take: whether to monitor, enter enhanced engagement, or divest from the company. No companies were involved in severe norms violations over the reference period so no action was taken.

The Fund opened a position in Caixa Bank prior to its designation as an Article 8 Fund. The company was, however, subsequently downgraded by a 3<sup>rd</sup> party ESG data provider for Norms Based Standards in relation to labour and human relations management, specifically related to treatment of staff. Upon hearing of this action, the Investment Manager engaged with the company's management to determine the veracity and severity of these allegations. This engagement indicated that issues had been addressed by the company, with an agreement reached regarding layoffs reached in July 2021. The Investment Manager was given comfort that this agreement had settled the matter, and noted that there had been no further layoffs.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.



Indicator <sup>2</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>3</sup>
GHG Emissions (TCO2e)	Scope 1	29.6	95.3%	55.8	99.5%	-47.0%
	Scope 2	12.7	95.3%	15.2	99.5%	-16.5%
	Scope 1 & 2	42.3	95.3%	71.1	99.5%	-40.4%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	3.5	95.3%	5.7	99.5%	-38.8%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	18.8	95.3%	20.7	99.5%	-9.2%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	11.6	95.3%	15.9	99.5%	-27.1%
Female Board Representation (%)		34.6%	95.3%	33.8%	99.6%	2.2%



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Mastercard	Diversified Financial Services	6.1	United States
JPMorgan Chase	Banks	6.1	United States
Bank of America	Banks	3.3	United States
Visa	Diversified Financial Services	3.2	United States
S&P Global	Commercial Services	2.8	United States
Wells Fargo	Banks	2.8	United States
HDFC Bank ADR	Banking	2.6	India
Intercontinental Exchange	Diversified Financial Services	2.6	United States
ING Groep	Banks	2.6	Netherlands
Marsh & McLennan Cos	Insurance Brokers	2.5	United States
AIA	Life/Health Insurance	2.4	Hong Kong
American Express	Diversified Financial Services	2.4	United States
London Stock Exchange Group	Diversified Financial Services	2.4	United
Bank Rakyat Indonesia Persero	Banks	2.3	Indonesia
IndusInd Bank	Banks	2.3	India

<sup>2</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI ACWI Financials ex. Real Estate Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €12.5 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>3</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Opportunities Fund continued



**Asset allocation** describes the share of investments in specific assets.

#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

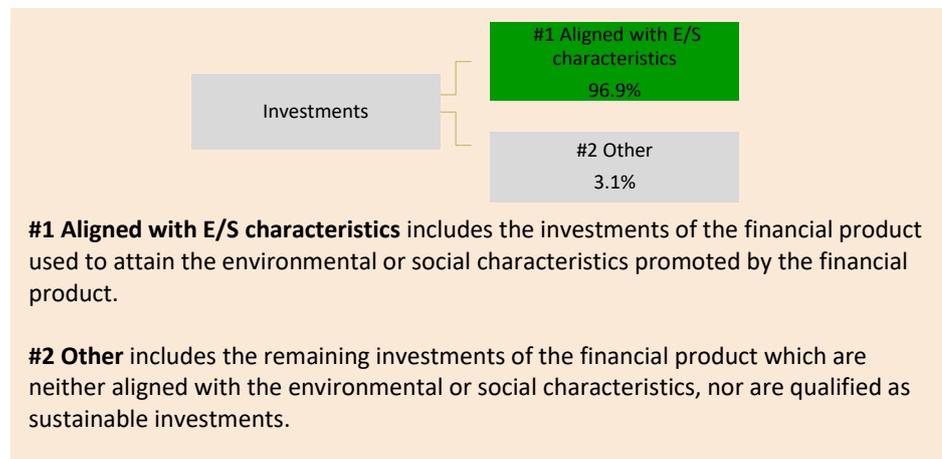
● **What was the asset allocation?**

The Fund invested primarily in the securities of financial sector companies globally. The Investment Manager used the Financials Team ESG Framework to assess the environmental and/or social characteristics (“E/S”) of each investee company.

100% of the companies the Fund invested in were assessed under the Financials Team ESG Framework, which was used to assess and deliver the environmental or social characteristics promoted by the Fund.

During the reference period, an average of 96.9% of investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund<sup>4</sup>.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)*



<sup>4</sup> The figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, aligned with the Fund’s characteristics as a result of passing the minimum criteria for investment set out in the Financials Team ESG Framework. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since the Fund was classified as an Article 8 Fund (i.e. 30 September and 31 December).



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>5</sup>
Banks	43.71%
Diversified Financial Services	16.64%
Financial Services	11.68%
Commercial Services	6.32%
Property/Casualty Insurance	5.19%
Financial	3.97%
Software & Tech Services	2.53%
Insurance Brokers	2.50%
Life/Health Insurance	2.44%
Internet	1.84%
Reinsurance	1.76%
Insurance	1.41%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>6</sup>?**

**Yes:**

In fossil gas       In nuclear energy

**No**

<sup>5</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2023.

<sup>6</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy Regulation are laid down in Commission Delegated Regulation (EU) 2022/1214.

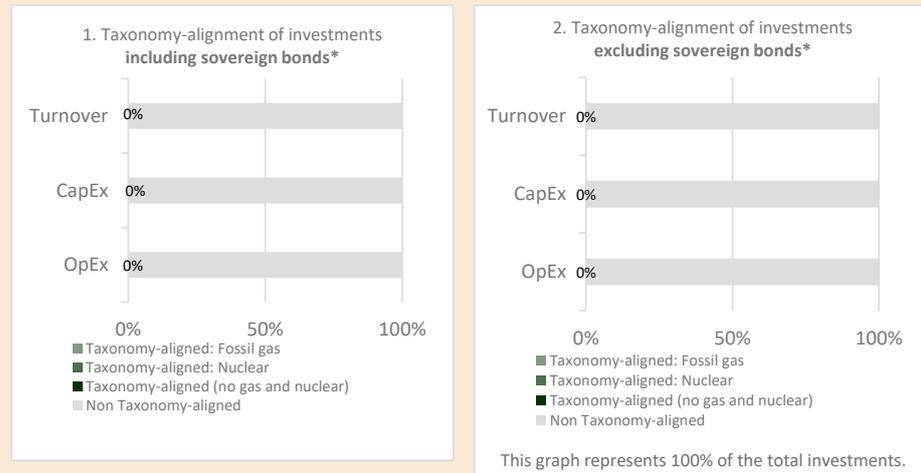
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Financial Opportunities Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments with a social objective.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, an average of 3.1% of the Fund’s investments identified as #2 Other in the above diagram were held in cash in line with the Fund’s Investment Policy. There were no minimum environmental or social safeguards applicable to these investments.<sup>7</sup>



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In accordance with the investment strategy for the Fund, the Investment Manager assessed every prospective investee company using the Financial Team ESG Framework. This involves an analysis of the company’s environmental, social and governance profile, (against a variety of indicators, including but not limited to total greenhouse gas (GHG) emissions intensity per revenue, the quality of data security and the level of director remuneration), and the assignment of a specific ESG rating from ‘AAA’ to ‘CCC’.

The governance analysis also includes a qualitative factor, based on an assessment of the company’s risk management practices, strategic consistency, litigation/reputational risk and stakeholder engagement, informed through interactions with the company and the responsiveness of its management. When considering risk management practices, both management structures and tax compliance are assessed.

Every existing holding is assessed on the same basis and its alignment is monitored on an ongoing basis. The Investment Manager used a variety of information sources to assess each company including, but not limited to, company financial accounts and statements, third party research, and engagement and dialogue with management.

During the reference period, for example, engagement with Indusind Bank management reassured the Investment Manager that the company’s governance rating, including the qualitative factor, was still appropriate. Through in-person meetings, the Investment Manager was able to challenge company management about risk culture, including the introduction of more granular, lower risk corporate underwriting. The Investment Manager also discussed the extension of the CEO’s contract, and the Reserve Bank of India’s satisfaction with the improved operating stability at the bank.

Further reassuring engagement was also conducted, during the period, with an e-commerce fintech, with a diverse footprint across South America. The Investment Manager was able to challenge company management, via email, and subsequently, at in-person meetings, about board diversity and data protection. This interaction reassured that the company’s data handling was comprehensive, with all suppliers required to adhere to strict legal guidelines on privacy and security, and confirmed they are working to improve board diversity.

<sup>7</sup> This figure shows the portfolio weighted average of the assets of the Fund, including cash, which were classified as other investments and therefore not aligned with the characteristics during the reference period. The average alignment is calculated as a simple average of the portfolio weighted alignment at 30 September 2023 and 31 December 2023.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Financial Opportunities Fund continued

Another example of the Investment Manager's engagement during the period was with Allied Irish Bank, one of Ireland's largest banks with total assets of €131.3bn as at 30 June 2023. The discussion, conducted in person, covered the company's sustainability reporting, with the company noting its use of scientifically-validated targets for reducing greenhouse gas emissions. The Investment Manager also discussed the lack of reporting on social issues, and whether this was idiosyncratic or typical for the sector. This is an area of progress for the company, which the Investment Manager will continue to monitor.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Global Absolute Return Fund

## Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc - Global Absolute Return Fund (the "Fund")

Legal entity identifier: 549300FZYEQXKDUP14

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

## Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics through the application of its investment strategy.

The Fund sought to make its long investments in convertible bonds issued by companies which are positively aligned with the Investment Manager's proprietary ESG analysis framework (the "Global Absolute Return Fund Framework").

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Absolute Return Fund continued

The Investment Manager considered the alignment of issuing companies with the United Nations Sustainable Development Goal (“UN SDG”) 8, which concerns the promotion of sustained, inclusive and sustainable economic growth, full and productive employment for all.

For the avoidance of doubt, the Fund invested in convertible bonds issued by companies which were not aligned with the Global Absolute Return Fund Framework where, in the Investment Manager’s view, such an investment would nevertheless represent an attractive opportunity for the Fund. Short positions taken by the Fund may have been made without the intention of promoting environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

#### ● **How did the sustainability indicators perform?**

At the time of the Fund’s investment, 0% of investee companies over the reference period failed the exclusion criteria.

During the reference period, the Fund averaged 64.9%<sup>1</sup> of investments in convertible bonds issued by companies that were positively aligned with the Global Absolute Return Fund Framework. This equated to an average of 68.1%<sup>2</sup> of the long market value of the Fund that was positively aligned with the Global Absolute Return Fund Framework.

#### ● **...and compared to previous periods?**

During 2022, the Fund averaged 66.5%<sup>3</sup> of investments in convertible bonds issued by companies that were positively aligned with the Global Absolute Return Fund Framework. This equated to an average of 66.9%<sup>4</sup> of the long market value of the Fund that was positively aligned with the Global Absolute Return Fund Framework.

<sup>1</sup> This shows the percentage of issuers of the convertible bonds held by the Fund, on an equal weighted basis, that scored positively against the Global Absolute Return Fund Framework. The average is calculated as a simple average of the Fund’s percentages as at 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

<sup>2</sup> This shows the percentage of the long market value of the Fund’s assets on a portfolio weighted basis, that scored positively against the Global Absolute Return Fund Framework. The average is calculated as a simple average of the Fund’s percentages as at 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023. The Fund does take short positions in the equity of issuers of the convertible bonds held by the Fund to hedge the financial risk involved in holding the convertible bond.

<sup>3</sup> This shows the percentage of issuers of the convertible bonds held by the Fund, on an equal weighted basis, that scored positively against the Global Absolute Return Fund Framework. The average is calculated as a simple average of the Fund’s percentages as at 30 September 2022 and 31 December 2022.

<sup>4</sup> This shows the percentage of the long market value of the Fund’s assets on a portfolio weighted basis, that scored positively against the Global Absolute Return Fund Framework. The average is calculated as a simple average of the Fund’s percentages as at 30 September 2022 and 31 December 2022. The Fund does take short positions in the equity of issuers of the convertible bonds held by the Fund to hedge the financial risk involved in holding the convertible bond.



The Fund was classified as an Article 8 Fund under the SFDR on 26 August 2022 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Absolute Return Fund continued



#### How did this financial product consider principal adverse impacts on sustainability factors?

This Fund did not consider the principle adverse impacts of its investment decisions on sustainability factors pursuant to Article 7 of the SFDR during the reference period.



#### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
JET2	Consumer, Cyclical	6.2	United Kingdom
Winnebago Industries	Consumer Discretionary	5.6	United States
Zillow	Communications	5.5	United States
Nutanix	Technology	5.5	United States
PagerDuty	Technology	5.4	United States
Carnival	Consumer Discretionary	4.9	United States
Spirit AeroSystems	Industrials	4.5	United States
MP Materials	Basic Materials	3.9	United States
Impinj	Technology	3.6	United States
Patrick Industries	Consumer Discretionary	3.4	United States
Welltower OP	Real Estate	3.3	United States
Weibo	Communications	3.2	People's Republic of China
SMART Global	Technology	3.2	United States
Air Transport Services	Industrials	3.2	United States
Wolfspeed	Technology	3.1	United States



#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

##### ● What was the asset allocation?

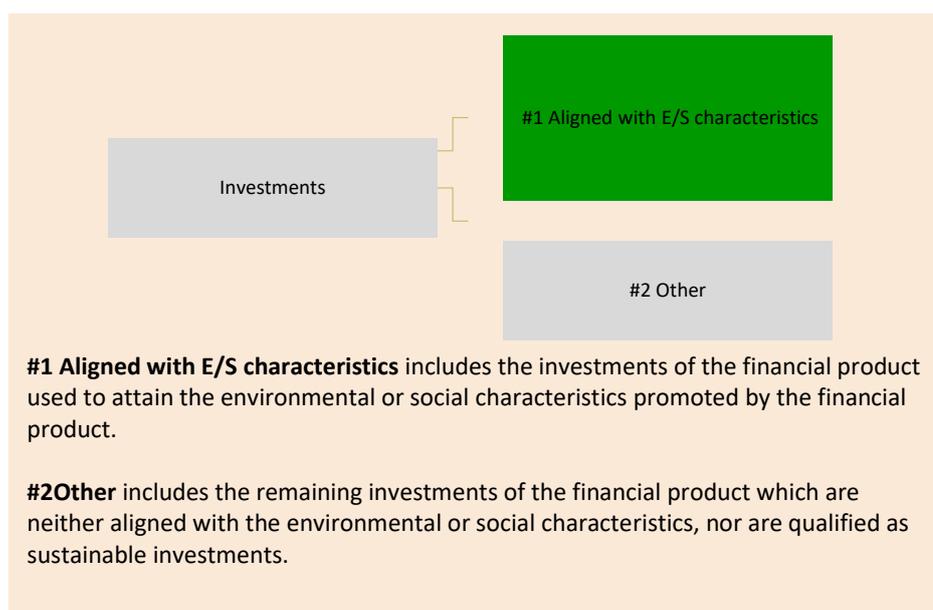
The Fund sought to make its long investments in convertible bonds issued by companies which are positively aligned with the Global Absolute Return Fund Framework.

100% of the issuing companies the Fund invested in were assessed under the Investment Manager's Global Absolute Return Fund Framework.

Asset allocation describes the share of investments in specific assets.

During the reference period, an average of 68.1%<sup>5</sup> of the Fund's long market value was aligned with the environmental or social characteristics promoted by the Fund.

All long positions adhered to the exclusions criteria set out in the investment strategy. Short positions taken by the Fund have been made without the intention of promoting environmental and social characteristics.



<sup>5</sup> This shows the percentage of the long market value of the Fund's assets, on a portfolio weighted basis, that scored positively against the Global Absolute Return Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023. The Fund does take short positions in the equity of issuers of the convertible bonds held by the Fund to hedge the financial risk involved in holding the convertible bond.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Absolute Return Fund continued

● ***In which economic sectors were the investments made?***

<b>Economic Sectors</b>	<b>% Assets<sup>6</sup></b>
Technology	23.6
Consumer Discretionary	17.0
Industrials	11.4
Communications	8.7
Real Estate	6.4
Consumer, Cyclical	6.2
Basic Materials	3.9
Financials	3.6
Materials	1.4
Energy	1.0

Further to the information provided above, the SFDR requires Article 8 SFDR funds to identify their exposure to the value chain or supply chain of the fossil fuel sector.

While the Fund excluded from the long book companies that derive the majority of their revenues from thermal coal production and distribution, the Fund did have exposure to the value chain and the supply chain of the fossil fuel sector over the reference period.

The Fund, when investing in the natural resources sector, places primacy on companies whose operations either are, or are likely to migrate to be, in compliance with the need to transition to a sustainable, circular economy.

Saipem is a perfect example of this. Saipem is one of the largest service providers to the offshore energy sector. Historically it has focused exclusively on oil & gas drilling activities but has increasingly been shifting towards providing services to the offshore wind sector, an area that is currently the key focus of growth for Saipem. Sasol is a similar example. The world's largest producer of hydrogen, Sasol currently only produces grey hydrogen. The company has credible plans to become a fully green producer within a decade, which is a clear environmental and social positive which we wish to fund.

<sup>6</sup> This shows the percentage of the Fund's long assets within each economic sector as at 31 December 2023.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

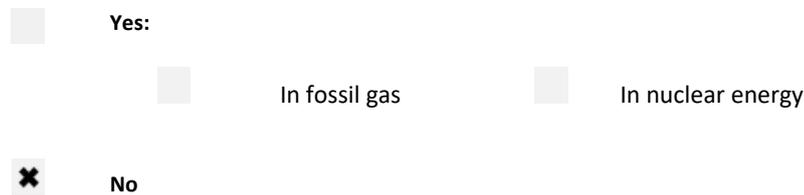
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



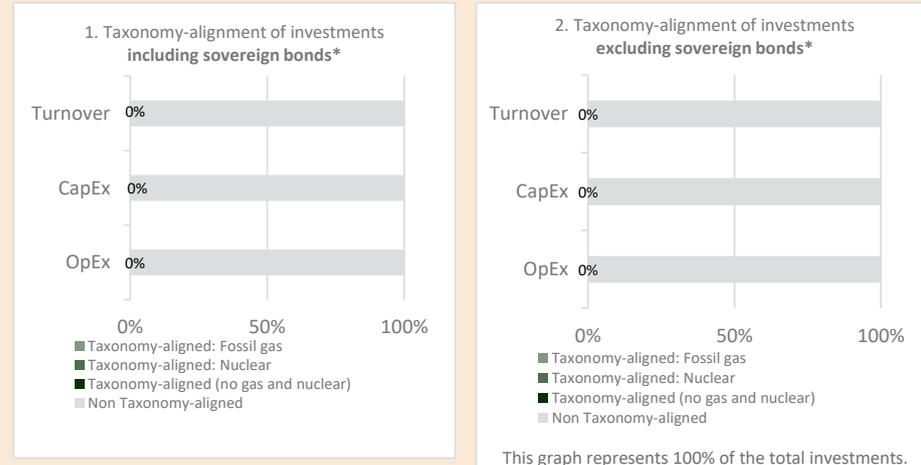
### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

#### ● Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?<sup>7</sup>



The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

#### ● What was the share of investments made in transitional and enabling activities?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>7</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Absolute Return Fund continued

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in sustainable investments with a social objective.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments identified as #2 Other in the above diagram included, but were not limited to, convertible bonds and short equity derivatives and were held to attain the Fund’s investment objective: to generate both income and long-term capital growth, or for efficient portfolio management. Furthermore, positions were held in cash and derivative instruments in line with the Fund’s Investment Policy.

Long positions not aligned with the environmental and social characteristics are subject to minimum environmental and social safeguards through the exclusion criteria set out in the Fund’s SFDR prospectus disclosure. Short positions taken by the Fund have been made without the intention of promoting environmental or social characteristics and no minimum environmental or social safeguards are applicable to these investments.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In the first instance, the Investment Manager carried out a negative exclusionary screening process on the Fund’s investment universe and excluded from the long book investments that were in breach of the Fund’s exclusions policy.

The Investment Manager used the Global Absolute Return Fund Framework to conduct detailed reviews of each investment and proposed investment, updating each on a periodic basis.

These reviews considered the alignment of each company with the indicators within SDG 8 and assigned a score with justification and documentation made for each. Further to this, the Investment Manager assessed good governance practices by reviewing the issuing company’s compliance with relevant tax legislation, its employee relations and remuneration policies, and the soundness of its management practices.

The Investment Manager used a variety of information sources to evaluate a company's performance in these areas including, but not limited to, company financial accounts and statements, third party research, and engagement and dialogue with management.

In particular, the Investment Manager conducted ESG-specific interactions with 47 companies during the year to both complement the Fund's ESG research and to also attempt to facilitate improvements at the target companies. For example, the Investment Manager held two separate calls with a travel operator in order to both understand, and subsequently push for improvements to, the company's ESG policies.



### **How did this financial product perform compared to the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How does the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Convertible Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc - Global Convertible Fund (the “Fund”)

**Legal entity identifier:** 549300YDGCXD7OYRK411

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics through the application of its investment strategy.

The Fund sought to make its long investments in convertible bonds issued by companies which are positively aligned with the Investment Manager’s proprietary ESG analysis framework (the “Global Convertible Fund Framework”).

The Investment Manager considered the alignment of issuing companies with the United Nations Sustainable Development Goal (“UN SDG”) 8, which concerns the promotion of

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

For the avoidance of doubt, the Fund invested in convertible bonds issued by companies which were not aligned with the Global Convertible Fund Framework where, in the Investment Manager's view, such an investment would nevertheless represent an attractive opportunity for the Fund. Short positions taken by the Fund may have been made without the intention of promoting environmental and social characteristics.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● ***How did the sustainability indicators perform?***

At the time of the Fund's investment, 0% of investee companies over the reference period failed the exclusion criteria.

During the reference period, the Fund averaged 63.8%<sup>1</sup> of investments in convertible bonds issued by companies that were positively aligned with the Global Convertible Fund Framework. This equated to an average of 69.1%<sup>2</sup> of the long market value of the Fund that was positively aligned with the Global Convertible Fund Framework.

● ***...and compared to previous periods?***

During 2022, the Fund averaged 66.5%<sup>3</sup> of investments in convertible bonds issued by companies that were positively aligned with the Global Convertible Fund Framework. This equated to an average of 66.9%<sup>4</sup> of the long market value of the Fund that was positively aligned with the Global Convertible Fund Framework.

The Fund was classified as an Article 8 Fund under the SFDR on 26 August 2022 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

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<sup>1</sup> This shows the percentage of issuers of the convertible bonds held by the Fund, on an equal weighted basis, that scored positively against the Global Convertible Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

<sup>2</sup> This shows the percentage of the long market value of the Fund's assets on a portfolio weighted basis that scored positively against the Global Convertible Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023. The Fund does take short positions in the equity of issuers of the convertible bonds held by the Fund to hedge the financial risk involved in holding the convertible bond.

<sup>3</sup> This shows the percentage of issuers of the convertible bonds held by the Fund, on an equal weighted basis, that scored positively against the Global Convertible Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 30 September 2022 and 31 December 2022.

<sup>4</sup> This shows the percentage of the long market value of the Fund's assets on a portfolio weighted basis, that scored positively against the Global Convertible Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 30 September 2022 and 31 December 2022. The Fund does take short positions in the equity of issuers of the convertible bonds held by the Fund to hedge the financial risk involved in holding the convertible bond.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Convertible Fund continued

For the avoidance of doubt, neither the Fund’s sustainability indicators nor the Fund’s performance on those indicators are subject to assurance by an auditor or review by a third party.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

This Fund did not consider the principle adverse impacts of its investment decisions on sustainability factors pursuant to Article 7 of the SFDR during the reference period.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
JET2	Consumer, Cyclical	6.8	United Kingdom
MP Materials	Basic Materials	6.1	United States
Nutanix	Technology	3.9	United States
Saipem S.p.A.	Energy	3.7	Italy
Prismian S.p.A.	Industrials	3.4	Italy
Amphastar Pharmaceuticals	Health Care	2.9	United States
HTA /Mauritius	Industrials	2.7	Democratic
Schneider Electric	Industrials	2.6	United States
Akamai Technologies	Technology	2.5	United States
Blackline	Technology	2.4	United States
Ascendis Pharma	Health Care	2.4	Denmark
Datadog	Technology	2.4	United States
Ivanhoe Mines	Basic Materials	2.3	Canada
SK Hynix	Technology	2.2	Republic of
Zillow	Communications	2.2	United States



### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2(17) of the SFDR.

#### ● What was the asset allocation?

The Fund sought to make its long investments in convertible bonds issued by companies which are positively aligned with the Global Convertible Fund Framework.

100% of the issuing companies the Fund invested in were assessed under the Investment Manager's Global Convertible Fund Framework.

During the reference period, an average of 69.1%<sup>5</sup> of the Fund's long market value was aligned with the environmental or social characteristics promoted by the Fund.

**Asset allocation** describes the share of investments in specific assets.

<sup>5</sup> This shows the percentage of the long market value of the Fund's assets, on a portfolio weighted basis, that scored positively against the Global Convertible Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023. The Fund does take short positions in the equity of issuers of the convertible bonds held by the Fund to hedge the financial risk involved in holding the convertible bond.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

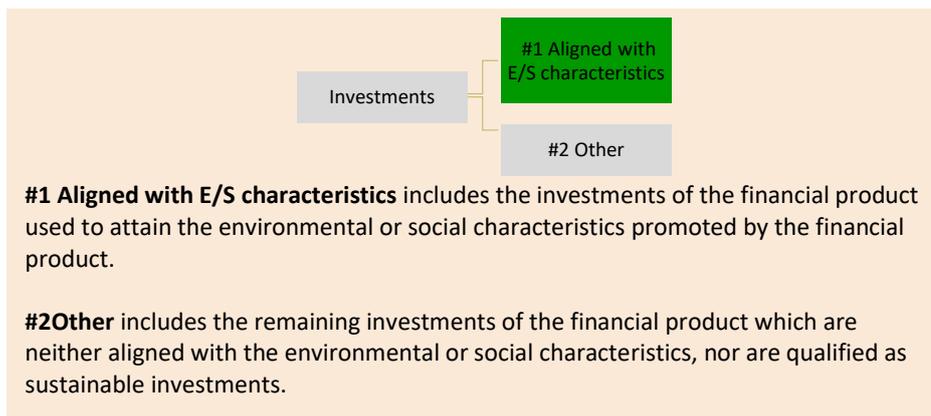
### Global Convertible Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

All long positions adhered to the exclusions criteria set out in the investment strategy. Short positions taken by the Fund have been made without the intention of promoting environmental and social characteristics.



#### ● In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>6</sup>
Technology	25.9
Industrials	14.2
Health Care	13.1
Basic Materials	8.4
Energy	8.2
Consumer, Cyclical	8.2
Consumer Discretionary	5.0
Communications	4.8
Real Estate	2.8
Financial	2.0
Materials	1.8
Consumer, Non-cyclical	1.5

Further to the information provided above, the SFDR requires Article 8 SFDR funds to identify their exposure to the value chain or supply chain of the fossil fuel sector.

While the Fund excluded from the long book companies that derive the majority of their revenues from thermal coal production and distribution, the Fund did have exposure to the value chain and the supply chain of the fossil fuel sector over the reference period.

The Fund, when investing in the natural resources sector, places primacy on companies whose operations either are, or are likely to migrate to be, in compliance with the need to transition to a sustainable, circular economy.

<sup>6</sup> This shows the percentage of the Fund’s long assets within each economic sector as at 31 December 2023.

Saipem is a perfect example of this. Saipem is one of the largest service providers to the offshore energy sector. Historically it has focused exclusively on oil & gas drilling activities but has increasingly been shifting towards providing services to the offshore wind sector, an area that is currently the key focus of growth for Saipem.

Sasol is a similar example. The world's largest producer of hydrogen, Sasol currently only produces grey hydrogen. The company has credible plans to become a fully green producer within a decade, which is a clear environmental and social positive which we wish to fund.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

#### Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?<sup>7</sup>

Yes:

In fossil gas

In nuclear energy

No

<sup>7</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

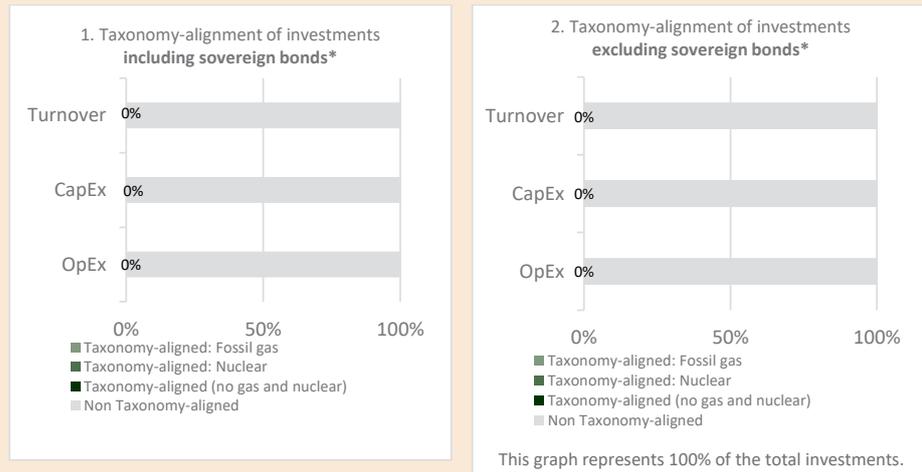
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Global Convertible Fund continued

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in sustainable investments with a social objective.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments identified as #2 Other in the above diagram included, but were not limited to, convertible bonds and short equity derivatives and were held to attain the Fund’s investment objective: to generate both income and long-term capital growth, or for efficient portfolio management. Furthermore, positions were held in cash and derivative instruments in line with the Fund’s Investment Policy.

Long positions not aligned with the environmental and social characteristics are subject to minimum environmental and social safeguards through the exclusion criteria set out in the Fund’s SFDR prospectus disclosure. Short positions taken by the Fund have been made without the intention of promoting environmental or social characteristics and no minimum environmental or social safeguards are applicable to these investments.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In the first instance, the Investment Manager carried out a negative exclusionary screening process on the Fund’s investment universe and excluded from the long book investments that were in breach of the Fund’s exclusions policy.

The Investment Manager used the Global Convertible Fund Framework to conduct detailed reviews of each investment and proposed investment, updating each on a periodic basis.

These reviews considered the alignment of each company with the indicators within SDG 8 and assigned a score with justification and documentation made for each. Further to this, the Investment Manager assessed good governance practices by reviewing the issuing company’s compliance with relevant tax legislation, its employee relations and remuneration policies, and the soundness of its management practices.

The Investment Manager used a variety of information sources to evaluate a company’s performance in these areas including, but not limited to, company financial accounts and statements, third party research, and engagement and dialogue with management.

In particular, the Investment Manager conducted ESG-specific interactions with 47 companies during the year to both complement the Fund’s ESG research and to also attempt to facilitate improvements at the target companies. For example, the Investment Manager held two separate calls with a travel operator in order to both understand, and subsequently push for improvements to, the company’s ESG policies.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Convertible Fund continued



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How does the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Global Insurance Fund

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc – Global Insurance Fund (the “Fund”)

Legal entity identifier: 549300NR2E7UPARFOU07

## Environmental and/or social characteristics

### Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invests broadly in the global insurance industry but predominantly focuses on the non-life insurance subsector (also known as property and casualty insurance), which the Investment Manager believes positively impacts most, if not all, the UN SDGs.

Portfolio holdings have been consistently evaluated through the reference period in line with the Fund’s ESG methodology (the ‘Global Insurance UN SDG Matrix’). The Investment Manager was active during the Financial Year 2022/2023 Proxy Voting season, which predominantly took place in April and May 2023, engaging with numerous management teams of companies in the Fund, which is discussed in more detail below, as part of the

### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Insurance Fund continued

Fund's ongoing assessment of Principal Adverse Impacts ("PAI"). This included, where appropriate, taking action which is evidenced from the Fund's shareholder voting log.

#### ● **How did the sustainability indicators perform?**

The Fund used the Global Insurance UN SDG Matrix to measure the attainment of the Fund's ESG characteristics.

The Global Insurance UN SDG Matrix sets out the weighting of the Fund in each area of insurance underwriting risk and then identifies whether, and to what extent, the Fund's holdings within that underwriting risk area are deemed have contributed to each UN SDG over the reference period.

The Global Insurance UN SDG Matrix incorporates both the Investment Manager's environmental, social and governance ('ESG') scoring of investee companies and the information received by the Investment Manager as a result of interactions with those investee companies. Engagements may be driven by an evaluation of the annual change in ESG scores at both a company and Fund level.

As at 31 December 2023, 32% of the Fund's underwriting mix had a high impact on one or more of the UN SDGs, while 15% had a strong impact, 53% a positive impact and 0% had no impact or an adverse impact.

As at 31 December 2023, 100% of the Fund's investments, excluding the Fund's cash and any derivative holdings, had a positive impact on one or more of the UN SDGs, as demonstrated by the Global Insurance UN SDG Matrix.<sup>1</sup>

The Fund is primarily invested in listed equities. However, the Fund does have investments in several unlisted retrocession funds which are not listed entities. These retrocession funds are collective investment schemes in which the collective investment proceeds are used to underwrite a range of reinsurance protections, primarily for reinsurers and typically with a term of one year.

Ahead of COP 28 in 2023, a number of UN working groups have been conducting further analysis into the role of climate on the UN SDGs. This was highlighted in a recent report entitled "Synergy Solutions for a World in Crisis; Tackling Climate and SDG Action Together" that noted climate and the SDGs are inextricably intertwined with the UN's ambitions to bridge these trillion-dollar investment gaps where we believe insurance has a critical role to play.

As part of this analysis, their work highlighted that all 169 SDG targets were examined for potential connections to measures for climate mitigation and adaptation, with sixty-four of the targets found to have potential co-benefits to climate mitigation and adaptation. Of particular interest to the Fund's UN SDG alignment evaluation was a focus on synergies with respect to mitigation where we believe the insurance industry plays a key role. As a result of this insight we have increased the Fund's conviction in the degree of favourable impact on the UN SDGs across several categories in 2023

<sup>1</sup> The figure shown is calculated with reference to the underwriting mix of each investee company and at least one aspect of that investee company's underwriting mix having a positive, strong or high impact on one or more of the UN SDGs.



which correspondingly has led to an increase in the number of assessed high and strong impact factors.

UN Sustainable Development Goals	31st Dec 23	Poverty	Zero Hunger	Good Health	Education	Gender Equality	Clean Water	Clean Energy	Economic Growth	Innovation
		1	2	3	4	5	6	7	8	9
<b>Portfolio Overview</b>										
<b>Personal Insurance</b>	<b>11%</b>									
Personal Auto	8%	X		X	X				X	X
Homeowners	3%	X	X		X		X	X	X	X
<b>Commercial Insurance and Reinsurance</b>	<b>72%</b>									
<b>Property (Re)insurances</b>										
<b>Property Catastrophe Reinsurance</b>	<b>22%</b>									
Property Catastrophe Reinsurance	5%	X	X				X	X	X	X
Other Property Reinsurance	7%	X	X				X	X	X	X
Property Insurance	8%	X	X				X	X	X	X
Marine and Energy	2%						X	X	X	X
Crop	1%	X	X		X	X	X	X	X	X
<b>Casualty (Re)insurances</b>										
<b>General Casualty (D&amp;O, E&amp;O etc)</b>	<b>14%</b>			X		X	X		X	X
General Casualty (D&O, E&O etc)	14%			X		X	X		X	X
Commercial Multi Peril	3%	X	X				X		X	X
Commercial Auto	2%	X		X					X	X
Credit and Surety	1%	X					X		X	
Workers Compensation	3%	X	X	X		X			X	X
Personal Accident, Health and Pet	4%	X	X	X		X			X	X
Medical Malpractice	1%	X	X	X		X			X	X
Casualty Reinsurance	8%			X		X	X		X	X
Mortgage and Title	8%	X	X						X	X
Critical Illness and Health Insurance and Reinsurance	5%									
Critical Illness and associated healthcare coverages	2%	X	X	X	X	X			X	X
Life Reinsurance	3%	X	X	X					X	X
<b>Other - including Brokers and Life</b>	<b>17%</b>									
(Re)insurance Brokers	11%			X	X	X			X	X
Life (excluding Critical Illness)	2%	X	X	X					X	X
Other	4%								X	X
<b>Corporate ESG Assessment</b>										
Fund Governance		X	X	X	X	X	X	X	X	X
Fund Environmental		X	X		X		X	X	X	X
Fund Social		X	X	X	X	X			X	X
<b>Fund Manager Engagement</b>										
Governance		X	X	X	X	X	X	X	X	X
Innovation		X	X	X	X	X	X	X	X	X
Nature Based Solutions		X	X	X	X	X	X	X	X	X
Sustainable Accounting		X	X	X	X	X	X	X	X	X
<b>Total Impact</b>	<b>100%</b>	<b>23</b>	<b>20</b>	<b>17</b>	<b>12</b>	<b>14</b>	<b>16</b>	<b>12</b>	<b>28</b>	<b>27</b>
o/w High Impact		12	7	6	3	2	0	1	15	7
o/w Strong Impact		4	1	4	0	2	5	2	8	7
o/w Positive Impact		7	12	7	9	10	11	9	5	13
o/w Adverse Impact		0	0	0	0	0	0	0	0	0

Appendix III – Sustainable Finance Disclosure Regulation  
(unaudited) continued

Global Insurance Fund continued

UN Sustainable Development Goals	31st Dec 23	Inequality	Sustain-able Living	Consump-tion	Climate Action	Below Water	Life on Land	Peace & Justice	Partnerships
		10	11	12	13	14	15	16	17
<b>Portfolio Overview</b>									
<b>Personal Insurance</b>	<b>11%</b>								
Personal Auto	8%		X	X	X		X	X	X
Homeowners	3%	X	X	X	X		X	X	X
<b>Commercial Insurance and Reinsurance</b>	<b>72%</b>								
<b>Property (Re)insurances</b>									
Property Catastrophe Reinsurance	5%	X	X	X	X	X	X		X
Other Property Reinsurance	7%	X	X	X	X		X		X
Property Insurance	8%	X	X	X	X		X		X
Marine and Energy	2%		X	X	X	X			
Crop	1%	X	X	X	X	X	X		X
<b>Casualty (Re)insurances</b>									
General Casualty (D&O, E&O etc)	14%	X	X	X	X	X	X	X	X
Commercial Multi Peril	3%	X	X	X	X	X		X	X
Commercial Auto	2%		X			X	X	X	X
Credit and Surety	1%	X	X	X		X		X	X
Workers Compensation	3%	X	X	X				X	
Personal Accident, Health and Pet	4%	X						X	
Medical Malpractice	1%	X						X	
Casualty Reinsurance	8%	X	X	X	X	X	X	X	X
Mortgage and Title	8%	X	X	X			X	X	X
<b>Critical Illness and Health Insurance and Reinsurance</b>									
Critical Illness and associated healthcare coverages	2%	X	X	X				X	X
Life Reinsurance	3%	X	X	X				X	X
<b>Other - including Brokers and Life</b>	<b>17%</b>								
(Re)insurance Brokers	11%	X	X		X				X
Life (excluding Critical Illness)	2%	X	X	X				X	X
Other	4%			X					X
<b>Corporate ESG Assessment</b>									
Fund Governance		X	X	X	X	X	X	X	X
Fund Environmental			X	X	X	X	X		X
Fund Social		X	X				X	X	X
<b>Fund Manager Engagement</b>									
Governance		X	X	X	X	X	X	X	X
Innovation		X	X	X	X	X	X	X	X
Nature Based Solutions		X	X	X	X	X	X	X	X
Sustainable Accounting		X	X	X	X	X	X	X	X
<b>Total Impact</b>	<b>100%</b>	<b>23</b>	<b>24</b>	<b>23</b>	<b>17</b>	<b>14</b>	<b>17</b>	<b>20</b>	<b>24</b>
o/w High Impact		5	10	3	8	6	3	10	7
o/w Strong Impact		1	2	3	3	0	1	3	4
o/w Positive Impact		17	12	17	6	8	13	7	13
o/w Adverse Impact		0	0	0	0	0	0	0	0

**SDG GOALS**

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation and Infrastructure

- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life Below Water
- GOAL 15: Life on Land
- GOAL 16: Peace and Justice Strong Institutions
- GOAL 17: Partnerships to achieve the Goal



The Investment Manager assesses a company's impact on the UN SDGs based on five categorisations namely; (i) high impact ( X dark green), (ii) strong impact ( X light green), (iii) positive impact ( X light blue), (iv) no impact ( white) or (v) adverse impact ( X orange).

High impact actions are quantifiable actions taken by portfolio companies directly in support of specific UN SDGs, strong impacts reflect that company actions during the reference period have had indirect benefits from a UN SDG perspective and positive impacts reflect harder to quantify or more holistic impacts on the UN SDGs.

Adverse impacts are actions taken by portfolio companies, or occurrences at portfolio companies, that run counter to the intention and spirit of the UN SDGs.

● **...and compared to previous periods?**

	2021	2022	2023 <sup>2</sup>
High Impact	28%	28%	32%
Strong Impact	11%	13%	15%
Positive Impact	61%	59%	53%
No Impact	0%	0%	0%
Adverse Impact	0%	0%	0%
<b>Total Impact</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

<sup>2</sup> The figures shown are calculated with reference to the underwriting mix of each investee company. A company will be classified as having no impact where its underwriting mix is deemed to have no impact on any of the UN SDGs.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Insurance Fund continued

— — — *How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

**GHG Emissions** - During the financial year 2022/2023 proxy season, which predominantly took place in April and May 2023, the Fund was involved in 8 significant votes directly linked to the Fund’s consideration of principal adverse impacts.

Included within these votes, Chubb and Travelers, both investee companies of the Fund, were again subject to shareholder resolutions around increasing reporting on GHG emissions and related disclosures. For the second year running, the Investment Manager participated in extensive engagement with both companies around these resolutions and noted the significant additional disclosures produced by both companies following the 2022 year. These included Chubb’s *2022 Climate-Related Finance Disclosure report* published in November 2022 and Travelers’ *Sustainability Report 2022*. Both reports significantly built on the level of disclosure in the 2021 financial year and further clarified each company’s approach to GHG emissions as well as incorporating recommendations made following the Investment Manager’s prior engagement. ISS, the Proxy Voting research provider, noted that Travelers’ enhanced disclosures were sufficient to reject the shareholder resolution proposed this year, a reversal of their position in 2022. While ISS supported the GHG resolution at Chubb given its more ambiguous objective, they noted that the company shared the same objective as the resolution to become net zero by 2050.



Given the Investment Manager's engagement directly with the company and understanding of the subsequent disclosures made and intentions of the business, the Fund voted against these shareholder proposals.

The Investment Manager believes that the engagement around these shareholder resolutions have significantly enhanced the broader understanding of the Property & Casualty industry in a net zero future, particularly in the US and have therefore reduced the risk of principal adverse impacts from underwriting, investment and insurance activities, along with compliance regulatory factors given an increase in focus by the SEC and other regulators where the Fund has exposure with respect to these factors.

The Investment Manager continued to engage with management teams over the review period with respect to how they could improve the implementation of the UNEP FI Principles (United Nations Environment Programme Finance Initiative) into the underwriting and investment process. It was promising to see an improvement in responsible investment where the Investment Manager is cognisant of the important role it provides in encouraging holdings to meet UN PRI standards.

**Fossil Fuels** - During the Financial Year 2022/2023 Proxy Voting season, the Investment Manager again voted against Berkshire Hathaway management in one instance to encourage them to further engage with the reporting on, and transparency of, their climate footprint and more clearly articulate their approach to the net zero carbon emissions transition so as to ensure each subsidiary company moves to comply with the objectives of the Paris Agreement.

It is notable that Berkshire Hathaway subsidiary disclosures have improved over recent years as have management's engagement and commentary at the annual meeting with shareholders around the transition. It is also important to note that the majority of fossil fuel emissions at Berkshire Hathaway arise within Berkshire Hathaway Energy, which is a leading company operating in support of the net zero carbon emissions transition and the largest owner of regulated renewable energy assets in the United States. This is discussed in more detail below.

**Biodiversity** - The Investment Manager regularly engaged with Fund holdings around biodiversity, which is an area that management teams had not always thought about extensively but is likely to be increasingly important in the future as actions to address the climate crisis and biodiversity crisis become more interlinked. The act of discussing biodiversity with management teams raises awareness of the actions that they can take to promote biodiversity in ways which are often aligned to the products and services the insurers provide, for instance in increasing the resilience of flood defences or supporting the objectives of the Task Force for Nature-related Financial Disclosures on scaling voluntary carbon markets. Nature Based Solution initiatives can take a considerable amount of time to come to fruition and the Investment Manager continues to monitor the success of the implementation of the projects where the Fund's holdings have involvement with the aim of supporting future public-private initiatives.

**Social and employee matters** - The Investment Manager monitored PAI compliance with respect to social and employee matters through the Global Insurance UN SDG Matrix which aggregates the impact of both revenue specific and corporate entity analysis. This



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Insurance Fund continued

monitoring included the Investment Manager's quarterly ESG Scoring for investee companies, where controversies related to social and employee matters are assessed in Governance "red flags" and also evaluated as a separate line item that feeds into the Fund's directional ESG assessment of a company (i.e. whether the company's ESG performance is improving or deteriorating). The Investment Manager then assessed compliance with social and employee matters against UN SDG 16 "Peace and Justice".

**Board Gender Diversity** - The Investment Manager continued to engage with investee company management teams in support of the objectives of the 30% Club, a campaign group of global business chairpersons and CEOs, to increase gender diversity across the insurance industry. Finding qualified and appropriately experienced board members in the insurance industry can often be a challenge given the specific skills required so the Investment Manager is pragmatic in its approach to meeting this objective in the near term, although we expect to see positive directional momentum over time. Female senior executive departures which the Fund has seen at multiple companies during the reference period can cause short term volatility in these metrics which is why the Fund takes a multi-year and multi-faceted approach.

An investee company's performance on this PAI feeds into the Global Insurance UN SDG matrix through the Corporate ESG Assessment element of the Investment Manager's ESG scoring process where it is reflected within the Global Insurance UN SDG matrix as a high impact in terms of UN SDG 5 General Equality and UN SDG 10 Inequality, provided there is no PAI negative impact assessed. There was no improvement in Board Diversity scores across the Fund during the reference period due to the departure of several female executives at Fund companies. Scores in this category remain lower in comparison to other categories of Governance scoring, highlighting that continual progress over time is important as directors come up for election and this will be a particular focus for the Fund over the forthcoming year.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.



Indicator <sup>3</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>4</sup>
GHG Emissions (TCO2e)	Scope 1	3,372.3	98.7%	1,174.9	100.0%	187.0%
	Scope 2	1,359.5	98.7%	1,983.5	100.0%	-31.5%
	Scope 1 & 2	4,731.9 <sup>5</sup>	98.7%	3,158.4	100.0%	49.8%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	2.1	98.7%	1.4	100.0%	50.5%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	4.2	98.7%	2.0	100.0%	115.0%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	5.0	98.7%	2.3	100.0%	119.1%
Female Board Representation (%)		30.8	98.7	37.0	100.0	-16.9%

<sup>3</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI Daily TR World Net Insurance Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €2,308.1 m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>4</sup> The figures shown demonstrate the difference in performance of the Fund and the Benchmark on each metric based on 100% data coverage (whether achieved or estimated).

<sup>5</sup> Note that a large proportion of the Fund's Scope 1 and Scope 1 & 2 emissions are contributed by the Fund's Berkshire Hathaway holding. This amounts to more than 67% of Scope 1 & 2 emissions, based on a snapshot as of 31 December 2023.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Insurance Fund continued



#### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Arch Capital	Property/Casualty Insurance	8.8	Bermuda
RenaissanceRe	Reinsurance	7.4	Bermuda
Chubb	Multi-line Insurance	7.1	Switzerland
Marsh & McLennan Cos	Insurance Brokers	6.5	United States
WR Berkley	Property/Casualty Insurance	5.3	United States
Fairfax Financial	Reinsurance	5.0	Canada
Essent	Reinsurance	5.0	Bermuda
Markel	Property/Casualty Insurance	4.7	United States
Intact Financial	Property/Casualty Insurance	4.2	Canada
Lancashire	Property/Casualty Insurance	3.9	Bermuda
Everest Re	Reinsurance	3.9	Bermuda
Progressive Corp	Property/Casualty Insurance	3.7	United States
Travelers Companies	Property/Casualty Insurance	3.5	United States
Reinsurance of America	Reinsurance	3.1	United States
Beazley	Property/Casualty Insurance	3.0	United Kingdom



#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

**Asset allocation** describes the share of investments in specific assets.

##### ● *What was the asset allocation?*

The Fund invests primarily in securities of insurance-related companies worldwide. The Investment Manager uses the Global Insurance ESG Framework and the Global Insurance UN SDG Matrix to assess the environmental and/or social characteristics (“E/S”) of each investee company.

100% of the companies the Fund invests in were assessed in this way.

During the reference period, an average of 99.2% of the Fund’s investments were positively aligned with one or more UN SDGs using the Global Insurance UN SDG Matrix<sup>6</sup>.

<sup>6</sup> This figure shows the portfolio weighted average of the Fund’s assets, including cash, that are aligned with the Fund’s characteristics. Alignment is calculated with reference to the underwriting mix of each investee company and at least one aspect of that investee company’s underwriting mix having a positive, strong or high impact on one or more of the UN SDGs. The average is calculated as a simple average of the portfolio weighted average of the alignment of the Fund’s assets as at the end of each calendar quarter (i.e. 31 March, 30 June, 30 September and 31 December).



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

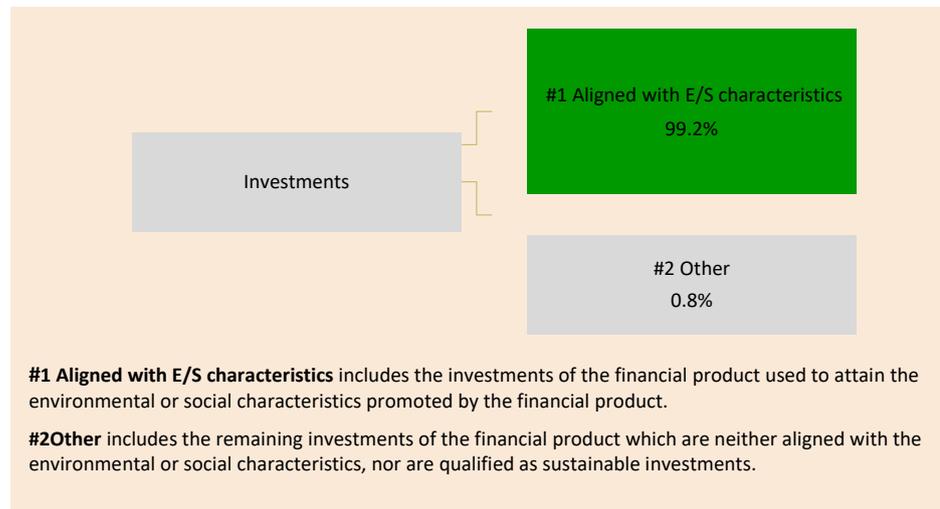
#### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

#### Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics' etc.)



#### ● In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>7</sup>
Property/ Casualty Insurance	47.17%
Reinsurance	25.18%
Insurance Brokers	11.05%
Multi-line Insurance	8.90%
Life/Health Insurance	6.51%
Insurance	1.15%

The Fund's direct exposure to fossil fuels is confined to its investment in Berkshire Hathaway, a bottom quartile sized holding in the Fund. Berkshire Hathaway is a diversified conglomerate rather than a pure insurance company and one of its subsidiaries, Berkshire Hathaway Energy ("BHE"), has revenues related to fossil fuels equating to c. 9% of total group revenues. This equates to just over a tenth of one percent of look through Fund exposure.

However, the Investment Manager believes that Berkshire Hathaway Energy is transitioning its business model towards renewable energy at a satisfactory pace. This was supported by 2022 data that showed that Berkshire Hathaway Energy had reduced its annual GHG emissions by 27% vs 2005 levels. It plans to retire an additional 16 coal generation units between 2023 and 2030, thereby achieving a projected 50% reduction in GHG by 2030, based on 2005 levels. 45% of BHE 2022 power generation was from renewables (compared to c22% for the industry), up from 10% in 2005. In addition to this substantial progress already made, Berkshire Hathaway Energy continues to make key investments in wind, solar and other low

<sup>7</sup> This figure shows the percentage of the Fund's assets within each economic sector as at 31 December 2023.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Global Insurance Fund continued

carbon generation units that will help to further facilitate the transition more broadly, particularly its investments in US energy transmission capability.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

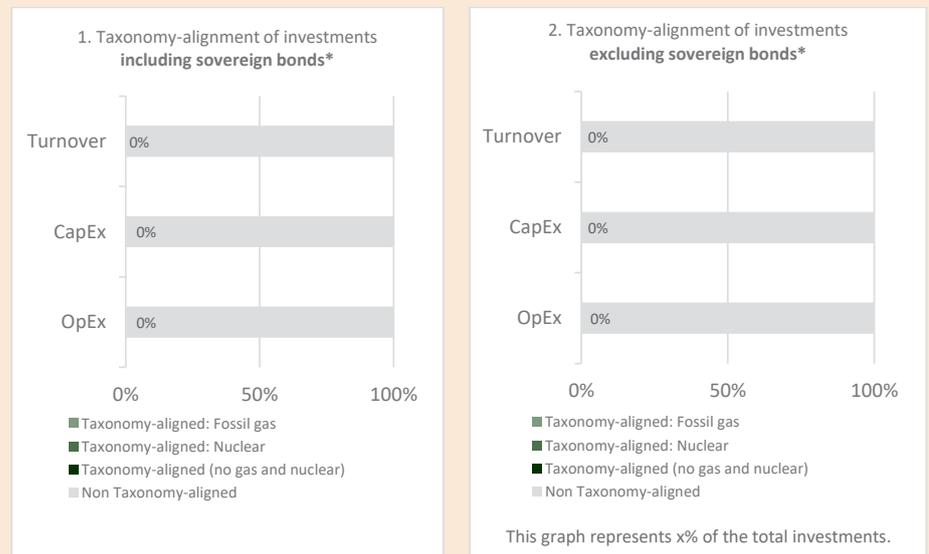
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

#### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>8</sup>?

- Yes:
  - In fossil gas
  - In nuclear energy
- No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>8</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in sustainable investments with a social objective.



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, an average of 0.8% of the Fund’s investments were identified as #2 Other in the above diagram and were held in cash for liquidity purposes in line with the Fund’s Investment Policy. There are no minimum environmental or social safeguards applicable to these investments.<sup>9</sup>

Any equity holdings not positively aligned with the promoted E/S characteristics were held in order to meet the Fund’s investment objective of achieving long term capital appreciation. As highlighted within the investment strategy, the Investment Manager carries out a broader assessment of the ESG risks and opportunities relevant to all of the companies held by the Fund.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Investment Manager has consistently applied the methodology of the Global Insurance UN SDG Matrix to the Fund holdings and portfolio composition during the reference period.

<sup>9</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the Fund’s characteristics. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Insurance Fund continued

Although the Investment Manager assesses the ESG performance of investee companies against the Investment Manager's view of best in class performance on the relevant categories, there is an expectation that these best in class standards will rise over time and the standards will become more stringent accordingly. Investee companies that show little or no improvement over the reference period will therefore be scored lower.

The Investment Manager continued to engage with holdings specifically around greenhouse gas ('GHG') emissions disclosures and incorporation of climate related factors into catastrophe risk modelling as appropriate based on business mix.

Where investee companies demonstrated deteriorating performance on ESG metrics that the Investment Manager believed were relevant, the Investment Manager engaged with those investee companies to encourage improved ESG performance thereby promoting continued alignment with the UN SDGs.

One investee company, Markel (a c.5% average holding over the period), demonstrated modestly deteriorating performance against the Fund's increasingly stringent ESG criteria during the year. The Investment Manager has met with management on several occasions to address ESG issues and has been reassured as to the company's plans. External evidence of progress is less apparent, although succession planning, given a number of senior departures at the company, provides opportunities going forward for the company to improve.

In terms of Berkshire Hathaway, the Investment Manager voted for a resolution that encouraged increased disclosure around climate reporting and the transparency of its climate footprint, as well as more clearly articulating its approach to the transition. This was against the company management's recommendation.

Although this resolution did not pass, there was subsequently some further progress evidenced at the AGM (following additional disclosure in 2022) which the Investment Manager attended, including insights from Greg Able, CEO of Berkshire Hathaway Energy, which showed that management had, to some extent, taken note of shareholders' concerns.

The Investment Manager has also been participating in significant engagement with James River to improve the low ESG ratings it receives from third parties. The company management continues to make material progress from an ESG perspective, which has subsequently led to a notable increase in the Investment Manager's own ESG score for the company, but this is yet to be recognised by external ESG rating agencies. This is despite various resolutions around governance being brought to a vote (and subsequently approved) at the 2022 shareholder AGM.

Overall, investee companies showed a positive trend in the Investment Manager's ESG scores with no areas of material concern noted, despite the increased stringency of the Investment Manager's scoring process. This partly reflected progress at a number of Fund holdings on Environmental scores, including Arch Capital, one of the Fund's largest positions.

From an environmental perspective, the Investment Manager continued to engage with investee companies around incorporation of the UNEP FI Principles for Sustainable

Insurance into underwriting processes and investment portfolios. Responsible investment practices showed a 1% improvement, following 5% in the prior year, with reference to the Investment Manager's ESG scores in this area during the review period. This was due to improvements in approach at a number of investee companies, some of which were supported by Fund engagements, in particular at Chubb.



### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) *continued*

## Global Technology Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Polar Capital Funds plc - Global Technology Fund (the “Fund”)

**Legal entity identifier:** 5493000F1H21ODJZM634

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies within the technology investment universe with products and services which contributed to;

- (i) Access to technology and communications infrastructure
- (ii) Increasing business productivity and efficiency
- (iii) Empowering individuals

For the avoidance of doubt, the Fund did invest in companies within the technology investment universe the products and services of which did not, in part or in whole,

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

contribute to the promoted characteristics outlined above. Such companies included, by way of example, those operating in emerging areas of technology which lacked well-defined use cases or for which their contribution to the promoted characteristics was uncertain, but in respect of which the Investment Manager was of the view that an investment offered attractive investment opportunities for the Fund and aligned with the broader ESG elements of the Fund's investment process.

● **How did the sustainability indicators perform?**

The Investment Manager measured the attainment of the Fund's promoted characteristics by analysing the proportion of its investee companies' current or estimated future revenues derived from products, services or activities aligned with each promoted characteristic.

Over the reference period, a weighted average of 89.6% of the current or estimated future revenues of the companies in which the Fund had invested were derived from products, services or activities aligned with the three promoted characteristics<sup>1</sup>.

The breakdown of revenue alignment per promoted characteristic is highlighted in the table below:

Characteristics	Quarterly Revenue Alignment <sup>2</sup>				Average <sup>3</sup>
	Mar-23	Jun-23	Sep-23	Dec-23	
Access to technology and communications infrastructure	40.7%	44.7%	44.4%	48.7%	<b>44.6%</b>
Increasing business productivity and efficiency	27.9%	24.2%	25.4%	22.4%	<b>25.0%</b>
Empowering individuals	23.1%	20.0%	18.7%	18.2%	<b>20.0%</b>
<b>Total</b>	<b>91.6%</b>	<b>88.9%</b>	<b>88.5%</b>	<b>89.3%</b>	<b>89.6%</b>

There were no investments that failed the exclusion criteria for the whole reference period.

<sup>1</sup> The Fund's alignment with its promoted characteristics is calculated by taking the weighted average alignment of the Fund with its characteristics at the end of each calendar quarter (31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023) and calculating the simple average of the quarterly alignment figures.

<sup>2</sup> The table shows the portfolio weighted average current or estimated future revenue alignment of the Fund, including cash, with each of the characteristics at the end of each quarter. The total alignment of the Fund with the characteristics is calculated by summing the alignment figures for each of the characteristics.

<sup>3</sup> This shows the simple average of the Fund's quarterly portfolio current or estimated future revenue alignment with each of the characteristics. The total alignment of the Fund with the characteristics is calculated by summing the alignment figures for each of the characteristics.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Technology Fund continued

#### ● ...and compared to previous periods?

The breakdown of revenue alignment per promoted characteristic for the year ended 31 December 2022 is highlighted in the table below:

Characteristics	Quarterly Revenue Alignment <sup>4</sup>			Average <sup>5</sup>
	Jun-22	Sep-22	Dec-22	
Access to technology and communications infrastructure	42.1%	40.4%	37.1%	39.9%
Increasing business productivity and efficiency	27.1%	26.0%	28.7%	27.3%
Empowering individuals	19.9%	21.4%	20.9%	20.7%
<b>Total</b>	<b>89.1%</b>	<b>87.8%</b>	<b>86.7%</b>	<b>87.9%</b>

#### ● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

#### ● How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

<sup>4</sup> The table shows the portfolio weighted average current or estimated future revenue alignment of the Fund, including cash, with each of the characteristics at the end of each quarter. The total alignment of the Fund with the characteristics is calculated by summing the alignment figures for each of the characteristics. This excluded the first quarter of the calendar year as the Fund was not classified as an Article 8 Fund at this time.

<sup>5</sup> This shows the simple average of the Fund's quarterly portfolio current or estimated future revenue alignment with each of the characteristics. The total alignment of the Fund with the characteristics is calculated by summing the alignment figures for each of the characteristics.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **How did this financial product consider principal adverse impacts on sustainability factors?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The greenhouse gas (“GHG”) emissions, GHG Footprint and GHG Intensity of investee companies were evaluated using data provided by a third-party data provider and in addition, investee companies’ own disclosures in their Annual Report, 10K or 20F, Sustainability or ESG Reports, particularly applicable for those companies where third party provided data was not available. As with last year, Scope 1 and Scope 2 GHG emissions were considered for every investee company but in addition this year, Scope 3 GHG emissions for the most material emitters were considered. Scope 3 emissions account for approximately 85% of the aggregate Scope 1, 2, and 3 GHG emissions made by investee companies.

Investee companies’ emissions data were then referenced against the Fund’s benchmark (Dow Jones Global Technology Index), the MSCI ACWI index and the sector in which the company operates to identify those operating within High Impact Climate Sectors as defined by the Institutional Investors Group on Climate Change.

When these GHG emissions were flagged as being above a certain threshold or the investee company was in a High Impact Climate Sector, the Investment Manager assessed whether the company has an emissions mitigation or reduction strategy in place, whether that strategy or target is independently verified by a reputable third party such as the Science Based Targets initiative (SBTi), and whether the company’s emission trend is on track with the reduction target.

For those investee companies that flagged in these tests, the Investment Manager conducted an in-depth additional review. This review verifies the accuracy of any data provided by third parties, checks whether the investee company was intending to set new emissions reduction targets soon and checks whether the investee company had committed to SBTi accreditation in the future or had other mitigation strategies, such as a commitment to close down or dispose of high emission activities.

When the Investment Manager was dissatisfied with the overall mitigation strategy or when the company provided inadequate disclosure of its emissions, and the Investment Manager deemed it necessary, engagement was attempted.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Technology Fund continued

Examples of investee companies with whom the Investment Manager engaged with last year include Samsung Electronics and Taiwan Semiconductor Manufacturing (TSMC). Questions to these companies included, but were not limited to, why they were not committing to SBTi accredited reduction targets, despite being two of the highest emitting technology companies globally in absolute terms. While TSMC does have an internal Scope 3 target, Samsung does not. In both cases, there is disappointment that emissions have continued to rise and that they are not able to commit to SBTi targets. In mitigation, the Investment Manager learned from the engagements that both companies have made public commitments to Net Zero across the entire value chain by 2050. SBTi accreditation would not be possible, however, as there is not yet semiconductor sector-specific guidance from the SBTi and in addition, SBTi accreditation requires a near term reduction in absolute emissions which both companies are not able to achieve due to business growth, in part due to demand related to Artificial Intelligence (AI). Both companies are also severely constrained by the lack of renewable power generation in South Korea and Taiwan, where the majority of their respective operations are based. The Investment Manager intends to engage with Samsung again later this year should a Scope 3 target not be produced with their next Sustainability Report. TSMC expect that their emissions will peak in 2025 and the Investment Manager will monitor progress against this objective.

The Investment Manager was disappointed with the lack of emissions disclosure from Axon Enterprise and communicated this to the company's ESG team, as part of a wider set of issues covered. This was followed up with a formal letter from the Investment Manager to the CEO and the Board, outlining expectations of the company in respect of future emissions disclosures and targets.

The Investment Manager had two interactions with the ESG director of HubSpot, during which the Investment Manager learned more about the process they had undertaken for achieving SBTi accreditation of their Net Zero targets across all 3 scopes by 2040. This gave the Investment Manager comfort over HubSpot's climate commitments and provided valuable insight into the difference between SBTi accreditation of Net Zero (which relies on a -90% reduction in absolute emissions) and a company's own internal targets (where a specific absolute reduction target may not be required, and more weight is placed on carbon offsets). As such, the Investment Manager will now endeavour to engage with other companies, such as Amazon, on emissions as they have now failed to achieve SBTi accreditation within the prescribed two-year window, and are no longer deemed by the SBTi to be SBTi committed.

The Investment Manager considered the Fund's exposure to companies active in the fossil fuel sector by evaluating each investee company's revenue breakdown using third party data and the Investment Manager's knowledge of each company. The Fund has an exclusion policy of not investing in companies that derive more than 5% of their revenues from thermal coal production and oil and gas exploration and production. The Investment Manager confirms that 0% of the Fund's investee companies had revenues attributed to the fossil fuel sector.

Using data provided either by third parties or the company's own disclosures, the Investment Manager considered the gender diversity of each investee company's board. During the year, the Investment Manager increased the threshold at which companies are



flagged for additional review, i.e. requiring greater female board representation, although the thresholds applied by the Investment Manager differ depending on the company and its location so as to reflect regional norms on board diversity.

When an investee company's proportion of female directors fell below a certain threshold, the Investment Manager conducted an additional review of the circumstances to verify that the data was correct, and whether the investee company had a strategy or objective to improve board gender diversity.

Two examples of such investee companies that fell below the Investment Manager's gender diversity threshold last year were BYD and Meituan. The latter has a publicly stated strategy of adding female board representatives by the end of 2024, when the existing contractual board tenure expires. The Investment Manager engaged with BYD to enquire about its strategy but disappointingly, the company declined to engage on this issue. Unfortunately, it is accepted on some occasions, when the Fund is a relatively small shareholder in a very large company, productive engagement may simply not be possible. The position was divested on non-ESG grounds a few months later.

Every investee company is assessed for severe controversies and allegations of United Nations Global Compact (UNGC) norms violations using data and information provided by third parties or independently sourced by the Investment Manager. When deemed material, the issue is investigated further with an in-depth review of the specific circumstances. This review will make recommendations for further action which may include monitoring, voting, engagement and in extremis, divestment or exclusion.

Investee companies covered by such a review included Axon Enterprise, Alphabet, Amazon, Apple, First Solar, Meta Platforms and Tesla. Engagement has taken place, or is scheduled to take place, with some of these companies and the Investment Manager will continue to evaluate the adequacy of the responses received.

During the reference period, by way of example, the Investment Manager engaged with Axon Enterprise. The company was highlighted due to media coverage alleging a 'male oriented toxic culture', and involuntary 'taser exposures' experienced by some employees; (Axon sells Tasers to law enforcement agencies across the world). While the Investment Manager is not aware of any resulting lawsuits or investigations into these allegations, the Investment Manager asked additional questions including whether anonymous engagement surveys of employees are undertaken, whether these surveys ask about taser exposures, whether the practice of taser exposures on employees was still taking place, and what the rate of voluntary employee attrition was. The initial engagement prompted a follow up formal 'letter of concern' to the CEO and board of Axon stating that possible involuntary taser exposures of employees was of concern to the Investment Manager. The company acknowledged the concerns, insisted that taser exposures are entirely voluntary and agreed to consider adding questions about taser exposures to future employee surveys. These answers were deemed satisfactory for now, but the Investment Manager will continue to monitor Axon's ESG issues closely.

The Investment Manager also reviewed various controversies involving Meta Platforms, including a recent lawsuit brought by 33 US states alleging that Meta violated consumer protection laws by unfairly ensnaring children and deceiving users about the safety of its



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Technology Fund continued

platforms. While engagement on this is unlikely to be very fruitful as Meta will be unable to comment on specific lawsuits, the Investment Manager did vote for a shareholder resolution at the 2023 AGM requesting a ‘Report on Child Safety and Harm Reduction’ (against management’s recommendation). The Investment Manager also participated in a call with a member of the independent Meta Oversight Board to understand the investment and resource Meta is putting into improving the efficacy and transparency of its content moderation policies in practice. The Investment Manager learned that while 90% of content on Meta’s platforms that needs removing is achieved with AI, Meta has still expanded its number of human reviewers from 5,000 to 15,000 in recent years. This call gave the Investment Manager reassurance that Meta is committed to reducing potentially harmful content across its social media platforms.

Investee companies Amazon and Tesla were flagged as being potential indirect beneficiaries of the illegal use of Uyghur labour within their Chinese supply chains. Amazon has been highlighted in a Report by the Australian Strategic Policy Institute (ASPI), and Tesla by a Report by Sheffield Hallam University on the automobile industry’s supply chain. All the allegations in respect of these companies were evaluated and documented by the Investment Manager.

For example, it was noted that none of the five suppliers referenced by the report were now on Apple’s updated Supplier List from May 2023. Apple’s disclosure of labour-related violations within its supply chain also noted zero cases of underage or debt-bonded labour in 2022. ISS, the proxy voting research provider, has also investigated these concerns in advance of a shareholder resolution at the 2023 Apple AGM that requested a report on human rights risks in China. ISS advised a vote against this resolution, accepting Apple’s position that their existing reporting already addressed the proponent’s human rights concerns. The Investment Manager voted against the resolution.

Regarding Amazon, it was noted that the company had investigated the ASPI allegations and had successfully requested that ASPI delete reference to three suppliers that Amazon claim never to have used, while Amazon had terminated a contract with a fourth supplier referenced by ASPI. Amazon was also alleged by Amnesty International to have used illegal contractors in its Saudi Arabian warehouses. The company acknowledged and then remediated various deficiencies but, disappointingly, declined a request to engage with the Investment Manager on this issue.

The Investment Manager held a call with representatives of Tesla on the issue of supply chain compliance, especially in respect of alleged links to Uyghur labour. The company acknowledged a non-zero risk that somewhere within their Chinese supply chain, some illegal labour may have been used, but the Investment Manager took reassurance that Tesla is an industry leader in terms of supply chain audit and compliance. Tesla’s 2022 Impact Report highlighted 3,400 examples of non-conformance found within their 2022 audits, with 33% of these being labour-related issues. The Investment Manager will continue to monitor this issue and the risk was noted by the team.

First Solar disclosed the use of illegal contract labour within their Malaysian facilities following an internal audit. As a result, the Investment Manager held a call with ESG representatives of the company on this issue, during which the team learned more about



First Solar's supply chain compliance procedures. The company has decided to work with the suppliers of the illegal labour to improve their compliance rather than terminate the contract. First Solar also has no suppliers from the Xinjiang region which minimised the risk of Uyghur labour use. Formal disclosure of this to be signed off by the board was encouraged by the Investment Manager.

The Investment Manager will continue to engage with investee companies as and when new material controversies or potential norms-related violations arise.

The Investment Manager has excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>6</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>7</sup>
GHG Emissions (TCO2e)	Scope 1	12,580.4	98.4%	9,682.3	99.4%	29.9%
	Scope 2	41,280.9	98.4%	28,982.2	99.4%	42.4%
	Scope 1 & 2	53,861.3	98.4%	38,664.4	99.4%	39.3%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	11.2	98.4%	7.7	99.4%	46.3%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	50.7	98.4%	33.5	99.4%	51.2%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	28.1	98.4%	24.4	99.4%	15.0%
Female Board Representation (%)		30.3%	98.4%	31.7%	99.3%	-4.3%

<sup>6</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: Dow Jones Global Technology Net Total Return Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €5,050m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>7</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Technology Fund continued



#### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	%Assets	Country
NVIDIA	Technology	7.0%	United States
Alphabet	Communications	6.4%	United States
Advanced Micro Devices	Technology	5.5%	United States
Microsoft	Technology	5.1%	United States
Apple	Technology	3.9%	United States
Meta Platforms	Communications	3.2%	United States
Amazon.com	Communications	2.8%	United States
Taiwan Semiconductor	Technology	2.7%	Taiwan
Samsung Electronics	Technology	2.4%	Republic of South Korea
DISCO	Industrial	2.3%	Japan
Arista Networks	Technology	1.9%	United States
Micron Technology	Technology	1.9%	United States
ServiceNow	Technology	1.9%	United States
CrowdStrike	Financial	1.8%	United States
Shopify	Technology	1.8%	Canada



#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

##### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.

The Fund primarily seeks to invest in companies within the technology investment universe. The Investment Manager assessed 100% of the companies in the Fund for revenue alignment towards the Fund’s promoted environmental and/or social characteristics (“E/S”) characteristics.

During the reference period, an average of 89.6% of current or estimated future revenues of the companies invested in by the Fund were aligned with the environmental or social characteristics promoted by the Fund.<sup>8</sup>

The Fund’s investments identified as #2 Other in the below diagram were held in equity securities that did not contribute towards the Fund’s promoted characteristics, cash and/or derivative instruments.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)*

<sup>8</sup> The Fund’s alignment with its promoted characteristics is calculated by taking the weighted average alignment of the Fund with its characteristics at the end of each calendar quarter (31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023) and calculating the simple average of the quarterly alignment figures.



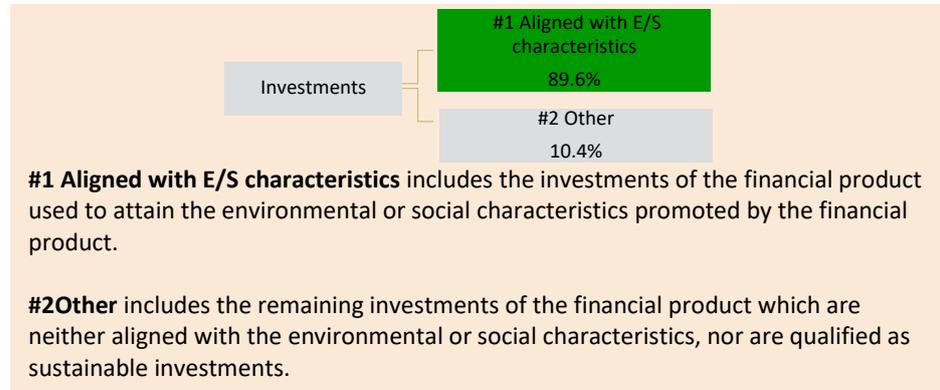
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>9</sup>
Technology	68.1%
Communications	16.2%
Industrial	4.2%
Consumer, Non-cyclical	3.5%
Financial	3.0%
Consumer, Cyclical	0.8%

0% of the Fund's investee companies had exposure to fossil fuel related activities.



● **To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>10</sup>?**

**Yes:**

In fossil gas       In nuclear energy

**No**

<sup>9</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2023

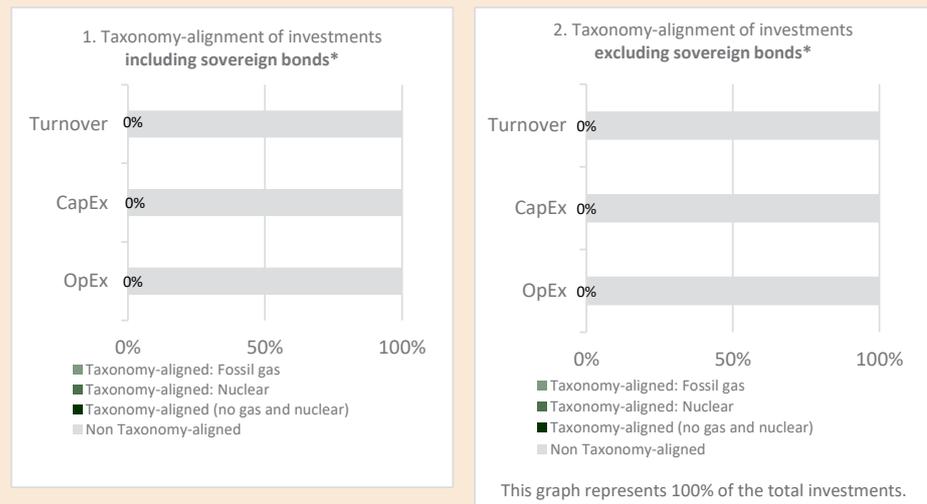
<sup>10</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Technology Fund continued

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

An average of 10.4% of the Fund’s investments were classified as #2 Other over the reference period<sup>11</sup>. These investments include the portion of equity investments whose current or estimated future revenue, in part or on the whole, did not align with the promoted characteristics and cash and derivative instruments.

All equity investments are subject to the Fund’s exclusion criteria. There are no minimum environmental or social safeguards applicable to cash or derivatives.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In accordance with the investment strategy for the Fund, the Investment Manager assessed every investee company for the company’s current or estimated future revenue alignment with the three promoted characteristics described above. Every prospective investment was also assessed against the Fund’s exclusion criteria.

Every existing holding is assessed on the same basis and its alignment is monitored on an on going basis.

This internal review ensured that a minimum threshold of at least 50% of the Fund’s assets were always invested in companies aligned with the promoted characteristics and ensures compliance with the Fund’s exclusion parameters.

The following are examples of stocks held over the review period that demonstrate alignment with the Fund’s promoted characteristics:

#### **Lattice Semiconductor**

Lattice Semiconductor’s revenue is aligned with promoting access to technology and communications infrastructure as the leader in low-power programmable semiconductors. Lattice’s products enable more than 10,000 customers to reduce system power consumption and physical footprint, and the inherent reprogrammability of Lattice’s products can potentially result in material energy and e-waste savings over time. This encourages the more sustainable proliferation of technology trends including AI, machine learning, 5G telecommunications infrastructure, smart cars, industrial automation, robotics and security.

#### **Shopify**

Shopify’s mission is to “make commerce better for everyone” and help people achieve independence by making it easier to start, run and grow a business. The company aims to empower individuals, lower the barriers to commerce and level the playing field for entrepreneurs of all ages and backgrounds to compete with larger businesses.

<sup>11</sup> This figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, categorised as ‘Other’ investments. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted ‘Other’ investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Global Technology Fund continued

Shopify has merchant education and equitable entrepreneurship programmes which are designed to improve accessibility, instil an innovation mindset and empower business owners to thrive. This is in addition to the Shopify Open Learning programme which helps students to create their own Shopify stores. There are currently more than 2m million merchants on Shopify and more than 5m jobs have been created by Shopify merchants and partners.

#### **E-Ink**

E-Ink is the leading provider of ePaper which can continuously display text or information without power consumption or emitting light. This can replace disposable paper with digital displays whilst minimising carbon emissions and light pollution, and is rapidly being adopted in use cases as varied as electronic shelf labels (for example in Walmart), bus stop signs, public displays, healthcare signage and logistics tags. The company's products will also play a role in the development of low-carbon, sustainable consumer electronics.

Monitoring of any ESG issues and controversies was undertaken during the reference period and is on going.

At every AGM or shareholder meeting, the Investment Manager reviewed the resolutions being proposed and documented when it voted the Fund's shares against the company's management and the reason for the vote.

As an example, at the SiTime AGM, the Investment Manager voted against a management recommendation on a resolution on executive compensation. There was concern that half of the annual incentive was measured against qualitative individual goals with limited disclosure. The vote was approved by only 51-49 in favour. A review of the ESG status of this company had already prompted an ESG call to be scheduled. The company was represented by the Chair of the ESG Committee. During this call, the Investment Manager provided feedback to the company that their disclosure overall on ESG issues was currently below the expected standard, that their emissions disclosure and lack of targets were both inadequate, and that there was a preference for linking executive compensation, at least partly, with performance on ESG performance.

Similarly, in company with other shareholders, the Investment Manager voted against management recommendations on advisory executive compensation resolutions at Alphabet, Freshworks and Pinterest.

At the Meta Platforms AGM, the Investment Manager withheld its vote on the re-election of four directors who are members of the Governance and the Compensation committees on the basis that the company's dual class share structure is not subject to a reasonable time-based sunset provision and that there was no 'say-on-pay' resolution. A withheld vote was also made on the re-election of CEO Mark Zuckerberg as owner of the super-voting shares.

At the Amazon AGM, against the management recommendation, the Investment Manager voted for various resolutions aimed at improving the company's transparency on environmental initiatives. These were resolutions on a Report on Impact of Climate Change Strategy Consistent with Just Transition Guidelines, a Report on Climate Lobbying, and a Report on Efforts to Reduce Plastic Use. The Investment Manager will endeavour to

engage with Amazon in the next reporting period on the subject of greenhouse gas emissions and their now lack of commitment to SBTi accreditation.

During the Hubspot and Axon engagements, the Investment Manager requested disclosure on voluntary employee attrition rates, which is regarded as a key measure of employee satisfaction. Hubspot assured the Investment Manager that they would consider disclosure, while Axon provided this metric in their response to the formal 'letter of concern.'



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### **How did this financial product perform compared to the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How does the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Healthcare Blue Chip Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc – Healthcare Blue Chip Fund (the “Fund”)

Legal entity identifier: 549300ERXLM8TOFA2G98

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 96.2% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in \_\_\_ companies within the healthcare investment universe that contributed to:

- (i) improving clinical outcomes for patients through innovation,
- (ii) improving the affordability and accessibility of healthcare services; and
- (iii) improving the efficiency of the delivery of healthcare services.

By investing in these companies, the Investment Manager believes that the Fund contributed to Goal 3 of the United Nations Sustainable Development Goals (SDGs) which

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

is to “ensure healthy lives and promote well-being for all at all ages”. The UN SDGs are part of the United Nation’s 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, and comprise 17 goals which aim to tackle the world’s approach to the environmental and social matters. The full list of the 17 UN SDGs can be found at <https://sdgs.un.org/goals>.

For the avoidance of doubt, the Fund may, and did over the period, invest in companies within the healthcare investment universe whose products and services do not, in part or in whole, contribute to the promoted characteristics outlined above where the Investment Manager is of the opinion that such an investment offers investment opportunities for the Fund.

● ***How did the sustainability indicators perform?***

The Investment Manager monitors the Fund’s attainment of its characteristics by evaluating the portfolio’s weighted exposure to each of the three promoted characteristics listed above.

The Investment Manager’s calculation of the Fund’s portfolio weighted exposure will take account of both revenue and operational expenditure exposure to the characteristics for commercial stage companies (i.e. companies which have taken their product or service to market, commercialised their product or service or which receive revenues from already commercialised products or services) and of actual or proposed operational expenditure exposure to the characteristics for precommercial stage companies (i.e. companies which are still in the development stage conducting pre-clinical testing and clinical trials of their product). The Investment Manager will also account for instances in which an investee company’s revenue and/or operational expenditure is exposed to more than one of the social characteristics described above.

Over the reference period a weighted average of 92.5% of the Fund’s assets were invested in investee companies with current revenues or R&D expenditures derived from products, services or activities aligned with the three promoted characteristics (which is calculated by taking an average of the quarters ended March, June, September and December 2023)<sup>1</sup>.

Apart from minor fluctuations quarter to quarter, the alignment to each of the distinct characteristics of sustainable healthcare delivery has remained relatively constant over the period.

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<sup>1</sup> This shows the percentage revenue or operational expenditure exposure of the Fund’s assets, including cash, on a portfolio weighted basis, to the Fund’s characteristics. The average is calculated as a simple average of the Fund’s percentage exposure as at 31 March, 30 June, 30 September and 31 December. In calculating the average, the Investment Manager may use operational expenditure rather than revenue to calculate an investee company’s alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company’s alignment with the characteristics.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Blue Chip Fund continued

	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average <sup>2</sup>
Characteristic 1 Improve clinical outcomes for patients through innovation	73.1%	86.4%	86.2%	87.6%	83.3%
Characteristic 2 Improve the affordability and accessibility of healthcare services	4.1%	0.6%	0.6%	0.9%	1.5%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	14.3%	2.9%	2.5%	2.2%	5.5%
Overall Alignment	91.5%	91.7%	93.6%	93.3%	92.5%

As of the date of this report, 0% of the Fund's investments failed the exclusion criteria.

● **...and compared to previous periods?**

	2022 Average
Characteristic 1 Improve clinical outcomes for patients through innovation	68.2%
Characteristic 2 Improve the affordability and accessibility of healthcare services	10.5%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	11.3%
Overall Alignment	90.0%

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund commits to having a minimum proportion of 50% of its investments in Sustainable Investments. The Investment Manager considered a company eligible as a Sustainable Investment if the company contributed to the objectives:

- (i) improve clinical outcomes for patients through innovation;
- (ii) improve the affordability and accessibility of healthcare services; and
- (iii) improve the efficiency of the delivery of healthcare services.

Companies held by the Fund were aligned to the three sustainability objectives in a variety of ways. Examples of how the Investment Manager established an investee company's contribution to a sustainable investment objective are provided below.

<sup>2</sup> The Fund's average exposure to each characteristic is calculated by taking a simple average of the quarterly exposures. The average exposure to each characteristic on a quarterly basis is calculated by taking a portfolio weighted average of the exposure.

The majority of revenues derived from drug discovery and the research and sale of new drugs, along with diagnostic tools and services, were positively aligned with the characteristic of improving clinical outcomes, as were over the counter products. Activities aligned to improving the affordability and accessibility of healthcare included the manufacture of generics and the provision of health insurance services. Revenues from hospitals and other healthcare facilities were aligned with the improving the efficiency of delivery of healthcare services objective.

Over the reference period, an average of 96.2% of the Fund's investments were classified as Sustainable Investments.<sup>3</sup>

Although on average the revenue alignment of the healthcare companies held during the reference period to the sustainability objectives was high, some sources of revenue were not considered to be aligned, such as medical aesthetics and non-healthcare business segments, such as electronics manufacturing. While these revenue sources were not considered sustainable, a company that generated some revenues from activities not aligned to the three sustainability objectives outlined above was still eligible to be considered as a Sustainable Investment overall if the company also had business segments that were positively aligned to the sustainability characteristics. Also, certain larger cap investments in the Fund generated revenues from separate business areas, which aligned with separate Sustainable Investment characteristics.

A large cap medical equipment business generated roughly 72% of its revenues from innovative medical technologies in the fields of diabetes, structural heart, electrophysiology, neuromodulation and cardiovascular medicine, as well as from diagnostics tools. Both medical and diagnostic devices require extensive research (and thus innovation) and undergo an extremely thorough regulatory process before being approved to ensure safety and efficacy which ultimately leads to better patients' clinical outcomes, aligning with the characteristic of improving clinical outcomes for patients through innovation. The company also generated c. 11% of its revenue from a subsidiary which commercialised branded generics in developed and developing countries. These are medicines that are sold at a lower price than their non-generic equivalent, allowing for greater access to medicines, thus aligning with the sustainability characteristic of improving the affordability and accessibility of healthcare services. Finally, about 17% of the company's revenue is generated by sales of nutrition products (e.g. baby infant formula and parenteral nutrition) which are not deemed to be aligned with any of the above characteristics.

A managed care organisation generated about 75% of its revenues from services related to healthcare benefit plans. Given that these revenues are generated by providing healthcare insurance to their members, sales are considered to be aligned with the Sustainable Investment characteristic of improving affordability and accessibility of healthcare. The rest of the company's revenues (circa 25%) are deemed to derived from other healthcare services such as palliative care, complex

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<sup>3</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Blue Chip Fund continued

care delivery, informatics, and pharmacy benefit management, all of which contribute to the characteristic of improving the efficiency of the delivery of healthcare.

The Fund's investment in a company that operates healthcare facilities was an example of strong alignment to a single characteristic. The whole of the company's revenue is generated by hospital facilities, ambulatory care facilities and a revenue cycle management solution for healthcare systems, which align with improving the efficiency of the delivery of healthcare services.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), assessed each company primarily using third party data, to assess whether it had an adverse impact on the environment and society.

Companies with controversies that had very severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

The Investment Manager used research from third party providers to provide deeper insights into a company's compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over whether an investee company should be viewed as having significantly harmed an environmental or social objective.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts ("PAI") indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 Level 2 of the Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator, to assess harm caused by the company, and determined the relevance and materiality of the principal adverse impact indicator to the company using industry expertise and any data available.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have been involved with severe violations of the UNGC principles on human rights, environmental protection, labour rights and anti-corruption, using third party controversy research related to these global norms.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **How did this financial product consider principal adverse impacts on sustainability factors?**

When assessing a company’s impact on the environment, the Investment Manager considered greenhouse gas (“GHG”) emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives. Where material, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero. Exposure to companies active in the fossil fuel sector were considered by the Investment Manager through the exclusion policy in place.

Furthermore, companies in the Healthcare sector have substantially lower energy and carbon intensities than market averages, so carbon emissions are on average much lower than most other industries. To illustrate this, the Scope 1 and 2 carbon emissions footprint



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Blue Chip Fund continued

of the Fund in TCO<sub>2e</sub>/EVIC AUM measured roughly around 9.5% of the MSCI ACWI Index as a whole as at 31 December 2023<sup>4</sup>.

Despite low industry emissions, GHG emissions of investee companies were evaluated using either company reported data, or where this was not disclosed, through third party estimates based on business segment.

This emissions data was referenced against the Fund's benchmark and the Healthcare sub-sector in which the investee company operates to identify those in sectors having a high impact on the climate. When these emissions were flagged as being above a certain threshold, the Investment Manager assessed whether the company had a carbon strategy in place, and the sophistication of that strategy, for example, whether the company measures and reports its carbon emissions, whether the company has a mitigation or reduction strategy in place, whether that strategy or target is independently verified by a reputable third party such as the Science Based Targets Initiative (SBTi), and whether the company's historic emission trend is on track with the reduction target.

The Investment Manager interacted with companies on matters of executive remuneration and compensation as part of the annual proxy voting process. The third party shareholder proxy voting advisor, ISS, flagged potential issues with one holding regarding a proposal on executive compensation. Although the proposed 10% increase in base salary of some executives seemed equitable, the Investment Manager voted against management as the proposal also included an increase in variable compensation that lacked tangible KPIs or justifications. Executive compensation, if relevant, has been discussed when engaging directly with companies on ESG topics: the focus has been on ensuring that remuneration practices are based on measurable outcomes, align executive interests with those of stockholders, and when possible, integrate ESG considerations.

The Investment Manager considered the standards of the United Nations Global Compact (UNGC), and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises (OECD). If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

Every investee company was assessed for severe controversies and allegations of UNGC norms violations using data and information provided by third party data providers or independently sourced by the Investment Manager. When deemed material, the issue was investigated further with an in-depth review of the specific circumstances. During the reference period, no companies were assessed to have failed the UNGC standards.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

<sup>4</sup> Source: MSCI Climate Change Metric: GHG emissions footprint. Where 100% coverage of a metric is not available, the Fund and index figures are estimated as if 100% coverage had been achieved and calculated on the basis of existing data coverage figures.



While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>5</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>6</sup>
GHG Emissions (TCO2e)	Scope 1	429.0	100.0%	414.7	99.8%	3.4%
	Scope 2	947.5	100.0%	579.0	99.8%	63.6%
	Scope 1 & 2	1,376.5	100.0%	993.7	99.8%	38.5%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	6.1	100.0%	4.3	99.8%	40.3%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	22.9	100.0%	11.1	99.8%	105.1%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	23.1	100.0%	16.5	99.8%	39.7%
Female Board Representation (%)		38.3	100.0	36.5	100.0	5.0%

<sup>5</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI AC World Daily Total Return Net Health Care Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €229.5m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note these figures are provided for comparative and illustrative purposes only and should not be relied upon. The figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>6</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Blue Chip Fund continued



#### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments <sup>7</sup>	Sector	% Assets	Country
Eli Lilly	Medical-Drugs	6.5	United States
AbbVie	Medical-Drugs	6.4	United States
AstraZeneca	Medical-Drugs	4.8	United Kingdom
Elevance Health	Healthcare-Services	4.6	United States
Abbott Laboratories	Medical Products	4.6	United States
CSL	Biotechnology	4.5	Australia
Swedish Orphan Biovitrum	Medical-Biomedical/Gene	4.1	Sweden
HCA Healthcare	Medical-Drugs	3.8	United States
Alcon	Medical Instruments	3.5	Switzerland
Lonza Group	Medical-Drugs	3.3	Switzerland
Zimmer Biomet	Medical Products	3.2	United States
Intuitive Surgical	Medical-HMO	3.1	United States
EssilorLuxottica	Healthcare-Products	2.9	France
DexCom Inc	Medical-Biomedical/Gene	2.9	United States
Coloplast	Medical-Drugs	2.8	Denmark



#### What was the proportion of sustainability-related investments?

##### ● What was the asset allocation?

The Fund primarily seeks to invest in companies within the healthcare investment universe. The Investment Manager assessed 100% of the companies in the Fund for revenue alignment towards the Fund's promoted social characteristics.

During the reference period, a weighted average of 92.5% of the revenue or operational expenditure of the companies invested in were exposed to products, services or activities aligned with one or more of the three promoted characteristics<sup>8</sup>.

While the Fund does not have sustainable investing as its objective, the Fund invested 96.2% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they were deemed by the Investment Manager to contribute to the sustainable investment objectives identified above

<sup>7</sup> The top 15 largest holdings as at 31 December 2023.

<sup>8</sup> This shows the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics. The average is calculated as a simple average of the Fund's percentage exposure as at 31 March, 30 June, 30 September and 31 December. In calculating the average, the Investment Manager may use operational expenditure rather than revenue, to calculate an investee company's alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company's alignment with the characteristics.



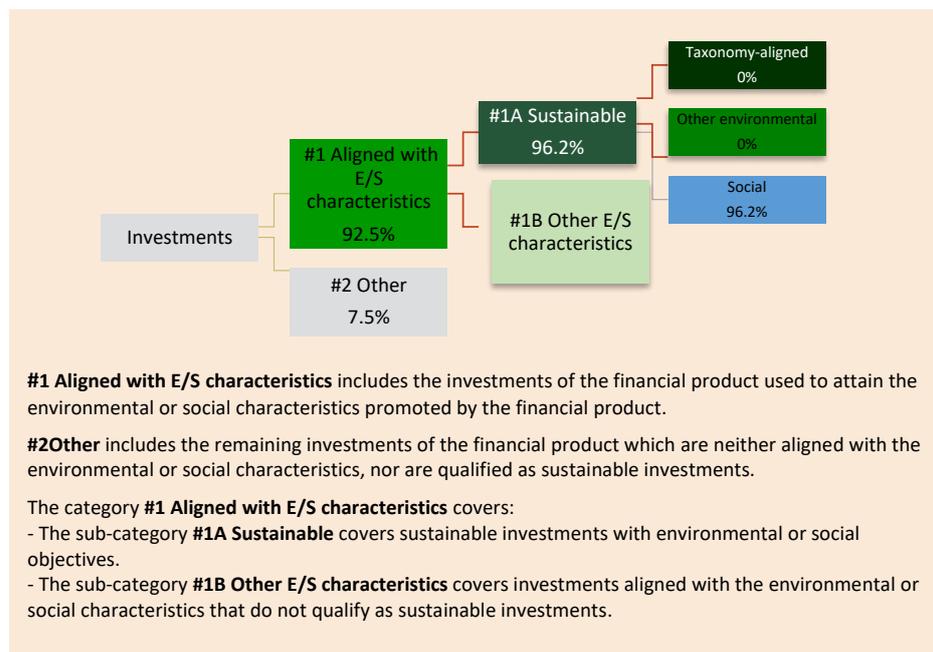
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

and passed the Do No Significant Harm test and followed good governance practices.<sup>9</sup>

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics' etc.)<sup>10</sup>



<sup>9</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>10</sup> Please note that the Sustainable Investments figure may be greater than the E/S characteristics alignment figure. This is due to the E/S characteristics alignment figure being the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics, whereas the full weight of a portfolio holding is considered a Sustainable Investment if it meets the criteria to be considered a Sustainable Investment.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Blue Chip Fund continued

#### ● In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>11</sup>
Medical-Drugs	30.9
Medical-Biomedical/Gene	15.6
Medical Products	7.7
Health Care	7.4
Healthcare-Products	5.6
Medical-HMO	4.7
Healthcare-Services	4.6
Biotechnology	4.5
Medical-Hospitals	4.3
Medical Instruments	3.5
Medical Labs & Testing Services	2.6
Therapeutics	2.4
Containers-Paper/Plastic	2.4
Drug Delivery Systems	2.0



#### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities as defined as such by the EU Taxonomy Regulation.

#### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>12</sup>?

Yes:

In fossil gas  In nuclear energy

No

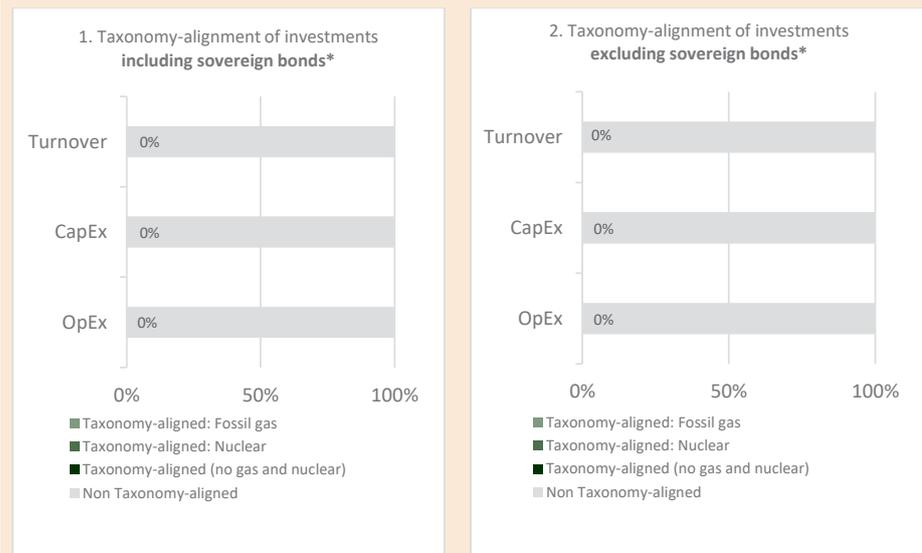
<sup>11</sup> This figure shows the percentage of the Fund's assets within each economic sector as at 31 December 2023.

<sup>12</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in Sustainable Investments with an environmental objective, including environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund's Sustainable Investments are aligned to the Fund's three characteristics and are considered by the Investment Manager to be socially Sustainable Investments.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Blue Chip Fund continued

While the Fund does not have Sustainable Investment as its objective, the Fund invested 96.2% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they met the revenue threshold contributing to the sustainability objectives, passed the Do No Significant Harm test and followed good governance practices.<sup>13</sup>



#### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The Fund’s investments identified as #2 Other in the above diagram were made up of portions of investment revenues not aligned with the promoted characteristics of the Fund and cash. During the reference period, an average of 7.5% of the Fund’s investments were not aligned with the promoted characteristics of the Fund.<sup>14</sup>

All equity investments are subject to minimum environmental or social safeguards through the fund’s exclusion criteria.

The Fund held cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these holdings.



#### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Investment Manager’s methodology for assessing whether an investment contributes to a sustainable investment objective is harmonised with the assessment of its social characteristics.

Detailed examples of how companies held during the reference period were assessed and aligned with the Fund’s characteristics and the sustainable investment objectives contributed to by the Fund are given above in the section “What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?”.

Using their sector expertise, company specific knowledge and often, engagement with company representatives, the Investment Manager assesses every prospective investee company for its revenue alignment or, where the company is at pre-revenue stage, operational expenditure alignment, with the characteristics and sustainable investment objectives described above.

Every prospective investment was also assessed against the Fund’s exclusion criteria. Every investee company was assessed on the same basis and its alignment was monitored on an ongoing basis.

<sup>13</sup> This figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that were classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>14</sup> This shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the Fund’s characteristics. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.

As well as pre-trade exclusion checks, a quarterly oversight review ensured compliance with the Fund's exclusion parameters.

At AGMs or shareholder meetings, the Investment Manager reviewed the resolutions and documented its voting decisions, as well as any resultant engagements with investee companies.

Stewardship activities, including voting, interactions with companies, and follow up engagements emanating from this assessment were documented in a central database. Monitoring of any ESG issues and controversies was undertaken during the reference period and is ongoing.

Access to and affordability of commercialised medicines, as well as efforts to address diversity and inclusion in medical research, have recently been discussed. Argenx has adopted a global pricing strategy to ensure fair and equitable access to the company's first medicine, Vyvgart, for the treatment of myasthenia gravis and potentially for additional autoimmune diseases. Commercial adoption has been rapid which is a testament to the strength of the clinical trial research as well as an appropriate commercialisation strategy. In addition, the Investment Manager in early 2023 raised the topic of diversity and inclusion in the context of equitable patient access to the company's clinical trials efforts with the company's head of investor relations. The company does not flag for poor on this issue, in fact, it demonstrates a high standard and quality on most ESG concerns. The discussion was useful for providing an open and valuable insight on best practice, and understanding more on structural issues that may make progress on this issue difficult across the industry.



### **How did this financial product perform compared to the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● ***How does the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Healthcare Discovery Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – Healthcare Discovery Fund (the “Fund”)

**Legal entity identifier:** 549300ENXX4FV2HTT122

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 94.8% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies within the healthcare investment universe that contributed to:

- (i) improving clinical outcomes for patients through innovation,
- (ii) improving the affordability and accessibility of healthcare services; and
- (iii) improving the efficiency of the delivery of healthcare services.

By investing in these companies, the Investment Manager believes that the Fund contributes to Goal 3 of the United Nations Sustainable Development Goals (SDGs) which

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

is to “ensure healthy lives and promote well-being for all at all ages”. The UN SDGs are part of the United Nation’s 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, and comprise 17 goals which aim to tackle the world’s approach to the environmental and social matters. The full list of the 17 UN SDGs can be found at <https://sdgs.un.org/goals>.

For the avoidance of doubt, the Fund may, and did over the period, invest in companies within the healthcare investment universe whose products and services do not, in part or in whole, contribute to the promoted characteristics outlined above where the Investment Manager is of the opinion that such an investment offers investment opportunities for the Fund.

#### ● ***How did the sustainability indicators perform?***

The Investment Manager monitors the Fund’s attainment of its characteristics by evaluating the portfolio’s weighted exposure to each of the three promoted characteristics listed above.

The Investment Manager’s calculation of the Fund’s portfolio weighted exposure will take account of both revenue and operational expenditure exposure to the characteristics for commercial stage companies (i.e. companies which have taken their product or service to market, commercialised their product or service or which receive revenues from already commercialised products or services) and of actual or proposed operational expenditure exposure to the characteristics for precommercial stage companies (i.e. companies which are still in the development stage conducting pre-clinical testing and clinical trials of their product). The Investment Manager will also account for instances in which an investee company’s revenue and/or operational expenditure is exposed to more than one of the social characteristics described above.

Over the reference period, a weighted average of 89.9% of the Fund’s assets were invested in investee companies with current revenues or R&D expenditures derived from products, services or activities aligned with the three promoted characteristics (which is calculated by taking an average of the quarters ended March, June, September and December 2023)<sup>1</sup>.

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<sup>1</sup> This shows the percentage revenue or operational expenditure exposure of the Fund’s assets, including cash, on a portfolio weighted basis, to the Fund’s characteristics. The average is calculated as a simple average of the Fund’s percentage exposure as at 30 September and 31 December. In calculating the average, the Investment Manager may use operational expenditure rather than revenue to calculate an investee company’s alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company’s alignment with the characteristics.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Discovery Fund continued

	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average <sup>2</sup>
Characteristic 1 Improve clinical outcomes for patients through innovation	n/a	n/a	62.6%	63.8%	63.2%
Characteristic 2 Improve the affordability and accessibility of healthcare services	n/a	n/a	3.3%	5.4%	4.3%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	n/a	n/a	23.4%	21.3%	22.3%
Overall Alignment	n/a	n/a	89.3%	90.4%	89.9%

As of the date of this report, 0% of the Fund's investments failed the exclusion criteria.

● **...and compared to previous periods?**

The Fund was approved by the Central Bank of Ireland as an Article 8 SFDR fund on 26 August 2023 and therefore such measurements were not made prior to this date.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund commits to having a minimum proportion of 50% of its investments as Sustainable Investments. The Investment Manager considered a company eligible as a Sustainable Investment if the company contributed to the objectives:

- (i) improve clinical outcomes for patients through innovation;
- (ii) improve the affordability and accessibility of healthcare services; and
- (iii) improve the efficiency of the delivery of healthcare services.

Companies held by the Fund were aligned to the three sustainability objectives in a variety of ways. Examples of how the Investment Manager established an investee company's contribution to a sustainable investment objective are provided below.

Investee companies were deemed to contribute to improving clinical outcomes where they derived a sufficient portion of their revenues from, or committed a sufficient proportion of their operational expenditure to, activities such as drug discovery, the research and sale of new drugs, the sale of over the counter products and the sale of diagnostic tools and services.

Investee companies were deemed to contribute to improving the affordability and accessibility of healthcare where they derived a sufficient portion of their revenues from, or committed a sufficient proportion of their operational expenditure to,

<sup>2</sup> In calculating the average, the Investment Manager may use operational expenditure rather than revenue to calculate an investee company's alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company's alignment with the characteristics.



activities such as the manufacture of generic medicines and the provision of health insurance services.

Investee companies that derived a sufficient portion of revenues from activities such as hospitals and other healthcare facilities were aligned with the improving the efficiency of delivery of healthcare services objective.

Once an investee company's alignment with a sustainable investment objective has been established, the Investment Manager will then also confirm that it passes the Do No Significant Harm test referred to in the section below and that it followed good governance practices.

Over the reference period, an average of 94.8% of the Fund's investments were classified as Sustainable Investments.<sup>3</sup>

Although on average the revenue alignment of healthcare companies held during the reference period to the sustainability objectives was high, some sources of revenue were not considered to be aligned, such as medical aesthetics and non-healthcare business segments, such as cosmetics. While these revenue sources were not considered sustainable, a company that generated some revenues from activities not aligned to the three sustainability objectives outlined above was still eligible to be considered as a Sustainable Investment overall if the company also had business segments that were positively aligned to the sustainability objectives.

Examples of investments in the Fund and their alignment to the three sustainability objectives outlined above are detailed below.

A number of companies held by the Fund showed strong alignment to a single characteristic, and particularly innovation, being a core mission applicable to many companies working in the healthcare industry. For example, a research-stage biopharmaceutical company, Xenon Pharmaceuticals, focusing on the development of new medicines for the treatment of neurological disease such as epilepsy and major depression disorders where standard of care today is lacking. As a pre-revenue generating company, it spends approximately 76% of its operating expenses on medical R&D, which, alongside encouraging clinical trial results to date, the Investment Manager deemed to be aligned with the improving clinical outcomes through innovation characteristic.

Other investment companies align to a single characteristic outside of innovation such as healthcare services company, Addus Healthcare. As a personal, home and hospice care provider, Addus' care businesses enable non-acute care to be delivered in an affordable and accessible manner for patients, caregivers and payors. This aligns with the sustainability objective of improving the affordability and accessibility of healthcare services.

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<sup>3</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Discovery Fund continued

Some companies held in the portfolio were aligned with more than one sustainable characteristic through their combined efforts in research and development as well as through generating revenues aligned with the three characteristics. Two such cases are commercial stage biopharmaceutical companies (Valneva and Bavarian Nordic), that are both focused on the development and commercialisation of vaccines to prevent a range of viral diseases. The companies have strong histories of developing and commercialising several new medicines for the traveller's and local outbreak markets respectively and each has a pipeline of programmes against endemic viruses that pose a growing threat, partly through climate change. With vaccines being one of the most powerful tools available to prevent, rather than treat, disease, the Investment Manager assessed the investments as mostly aligned to the improving the efficiency of healthcare delivery characteristic. However, the companies' efforts in research and novel innovation were also recognised through the Investment Manager's assessment, and a smaller alignment weighting with the improving clinical outcomes through innovation characteristic was given.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), assessed each company primarily using third party data, to assess whether it had an adverse impact on the environment and society.

Companies with controversies that had very severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

The Investment Manager used the research of third party providers to provide deeper insights into a company's compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over whether an investee company had significantly harmed an environmental or social objective.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts ("PAI") indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 Level 2 of the Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed

the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have been involved with severe violations of the UNGC principles on human rights, environmental protection, labour rights and anti-corruption, using third party controversy research related to these global norms.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

When assessing a company’s impact on the environment, the Investment Manager considered greenhouse gas (“GHG”) emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives. Where material, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero.

The Investment Manager considered investee companies’ exposure to the fossil fuel sector by evaluating their revenue breakdown using third party data. In line with the Fund’s stated exclusions, 0% of the Fund’s investee companies had revenues attributed to the fossil fuel sector over the reporting period.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Discovery Fund continued

Furthermore, companies in the Healthcare sector have substantially lower energy and carbon intensities than market averages, so carbon emissions are on average much lower than most other industries. To illustrate this, the Scope 1 and 2 carbon emissions footprint of the Fund in TCO<sub>2e</sub>/EVIC AUM measured roughly around 11.6% of the MSCI ACWI Index as a whole as at 31 December 2023<sup>4</sup>.

Despite low industry emissions, GHG emissions of investee companies were evaluated using either company reported data, or where this was not disclosed, through third party estimates based on business segment.

This emissions data was referenced against the Fund's benchmark and the Healthcare sub-sector in which the investee company operates to identify those in sectors having a high impact on the climate. When these emissions were flagged as being above a certain threshold, the Investment Manager assessed whether the company had a carbon strategy in place, and the sophistication of that strategy, for example, whether the company measures and reports its carbon emissions, whether the company has a mitigation or reduction strategy in place, whether that strategy or target is independently verified by a reputable third party such as the Science Based Targets Initiative (SBTi), and whether the company's historic emission trend is on track with the reduction target.

The Investment Manager engaged with Indian company, Max Healthcare, to raise concerns that under a PAI screen its carbon intensity was an outlier. A discussion with company leadership on its carbon emissions policy offered reassurance that environmental factors were high on the agenda and going forward there would be progress on further defining its future strategy. The company continues to make progress in defining its commitments and in the annual report for FY 2023 committed to "Reducing the environmental footprint by targeting a 60% reduction in Scope 1 & 2 emissions" and "Emphasizing a sustainable supply chain, Max Healthcare endeavours to reduce emissions throughout its value/supply chain by 10% by 2025" through enhanced monitoring for tracking Scope 3 emissions in FY 2024. In 2024 it will undertake a study on Net Zero Targets to explore the possibility to achieve net-zero targets for carbon emissions, water, and waste and a Net Zero road map for the next 15 years. The Investment Manager will continue to follow the progress toward these targets.

The Investment Manager considered the board gender diversity and excessive CEO pay ratio of investee companies, and where it deemed appropriate, used its tools of active ownership to encourage better practices.

In 2022, a discussion ensued with a leader in online recruitment of Japanese healthcare professionals and healthcare related IT, relative to the company's gender and diversity profile. It was made known that there were certain restrictions for 3 years post IPO relating to changing the composition of the Board. Disappointment with the lack of independence and gender diversity was expressed and the company assured the Investment Manager that the issue would be addressed once the limitations were lifted. Earlier in 2023 the company appointed 3 new high quality independent non-executive directors and increased female board representation. The rating by MSCI improved from

<sup>4</sup> Source: MSCI Climate Change Metric: GHG emissions footprint. Where 100% coverage of a metric is not available, the Fund and index figures are estimated as if 100% coverage had been achieved and calculated on the basis of existing data coverage figures.



B to BB in August 2023, with the report noting improvements in Governance including the board structure and diversity.

Earlier in the year, a European based elder care company became embroiled in controversy linked to a publication concerning patient care practices in French care homes and in particular, a weaker industry operator. This only furthered industry scrutiny as the pandemic had already been a source of attention since many types of non-acute group care settings became a virtual death trap for patients around the world. The company openly participated in and cooperated with a number of investigations into these matters; results supported exoneration from a broad-brush industry media campaign promoting guilt by association for the former and further clarification relative to the latter. After discussion with both management and other external parties, the Investment Manager viewed the results as supportive of the company's quality standards and approach, though the rating agencies have been slow to update their stance on the matter.

Elderly care is consistently underfunded both from a private and public perspective and government payors have a role here and should take the lead in adequately reimbursing those providing quality care. The company was a known and proven quality operator vs the industry prior to these events and subsequently the bar has been raised even higher. In addition, the company continues to be a leader in ESG matters for their industry and the healthcare area at large. The elder care industry is in desperate need of quality providers and this unfortunate turn of events looks to penalise those qualified operators as opposed to incentivising them further. The Investment Manager's decision to exit the position was not relative to concerns over the quality of care and standards around that but more so to whether the company could continue grow the business in the face of increasing regulatory burden and support further investment into labour resource and education, all while continuing to meet ongoing debt obligations.

The Investment Manager considered the standards of the United Nations Global Compact (UNGC), and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises (OECD). If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

Every investee company was assessed for severe controversies and allegations of UNGC norms violations using data and information provided by third party data providers or independently sourced by the Investment Manager. When deemed material, the issue was investigated further with an in-depth review of the specific circumstances. During the reference period, no companies were assessed to have failed the UNGC standards.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Discovery Fund continued

Indicator <sup>5</sup>	Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>6</sup>	
GHG Emissions (TCO <sub>2</sub> e)	Scope 1	17.7	90.9%	26.2	93.7%	-32.3%
	Scope 2	34.5	90.9%	46.1	93.7%	-25.1%
	Scope 1 & 2	52.3	90.9%	72.3	93.7%	-27.7%
Carbon Footprint (TCO <sub>2</sub> e/ €m Invested)	Scope 1 & 2	6.8	90.9%	9.2	93.7%	-26.8%
GHG Intensity (TCO <sub>2</sub> e / €m Revenue)	Scope 1 & 2	38.1	90.9%	26.3	93.7%	44.9%
Weighted Average Carbon Intensity (TCO <sub>2</sub> e / \$m Revenue)	Scope 1 & 2	31.1	90.9%	32.3	93.7%	-3.8%
Female Board Representation (%)		32.3	94.5	30.1	99.9	7.2%



### What were the top investments of this financial product?

#### Largest investments<sup>7</sup> Sector % Assets Country

Largest investments <sup>7</sup>	Sector	% Assets	Country
Zealand Pharma	Consumer, Non-cyclical	4.57	Denmark
ConvaTec Group	Health Care	4.30	United Kingdom
Natera	Consumer, Non-cyclical	4.14	United States
iRhythm Technologies	Consumer, Non-cyclical	3.98	United States
Xenon Pharmaceuticals	Health Care	3.60	Canada
Intra-Cellular Therapies	Consumer, Non-cyclical	3.17	United States
Celldex Therapeutics	Consumer, Non-cyclical	3.09	United States
Medley	Consumer, Non-cyclical	3.08	Japan
Acadia Healthcare	Consumer, Non-cyclical	3.03	United States
Privia Health Group	Technology	2.67	United States
MoonLake	Health Care	2.65	Cayman Islands
Apellis Pharmaceuticals	Health Care	2.43	United States
Bruker	Consumer, Non-cyclical	2.40	United States
Evolent Health	Technology	2.34	United States
Shockwave Medical	Consumer, Non-cyclical	2.31	United States

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

<sup>5</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity, and board gender diversity data as of 31 December 2023. Benchmark: MSCI AC World Daily Total Return Net Health Care Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €7.8m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note these figures are provided for comparative and illustrative purposes only and should not be relied upon. The figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>6</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

<sup>7</sup> The top 15 largest holdings as at 31 December 2023.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund primarily seeks to invest in companies within the healthcare investment universe. The Investment Manager assessed 100% of the companies in the Fund for revenue alignment towards the Fund's promoted social characteristics.

During the reference period, a weighted average of 89.9% of the revenue or operational expenditure of the companies invested in were exposed to products, services or activities aligned with one or more of the three promoted characteristics<sup>8</sup>.

While the Fund does not have sustainable investing as its objective, the Fund invested 94.8% of its investments in Sustainable Investments with a social objective. Given that the Fund committed to a minimum proportion of 50% of its investments as Sustainable Investments on 26 August 2023, the figure shows the simple average over the two quarters as 30 September and 31 December. Investments were considered Sustainable if they were deemed by the Investment Manager to contribute to the sustainable investment objectives identified above and passed the Do No Significant Harm test and followed good governance practices.<sup>9</sup>

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics' etc.)<sup>10</sup>*

**Asset allocation** describes the share of investments in specific assets.

<sup>8</sup> This shows the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics. The average is calculated as a simple average of the Fund's percentage exposure as at 30 September and 31 December. In calculating the average, the Investment Manager may use operational expenditure rather than revenue, to calculate an investee company's alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company's alignment with the characteristics.

<sup>9</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>10</sup> Please note that the Sustainable Investments figure may be greater than the E/S characteristics alignment figure. This is due to the E/S characteristics alignment figure being the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics, whereas the full weight of a portfolio holding is considered a Sustainable Investment if it meets the criteria to be considered a Sustainable Investment.

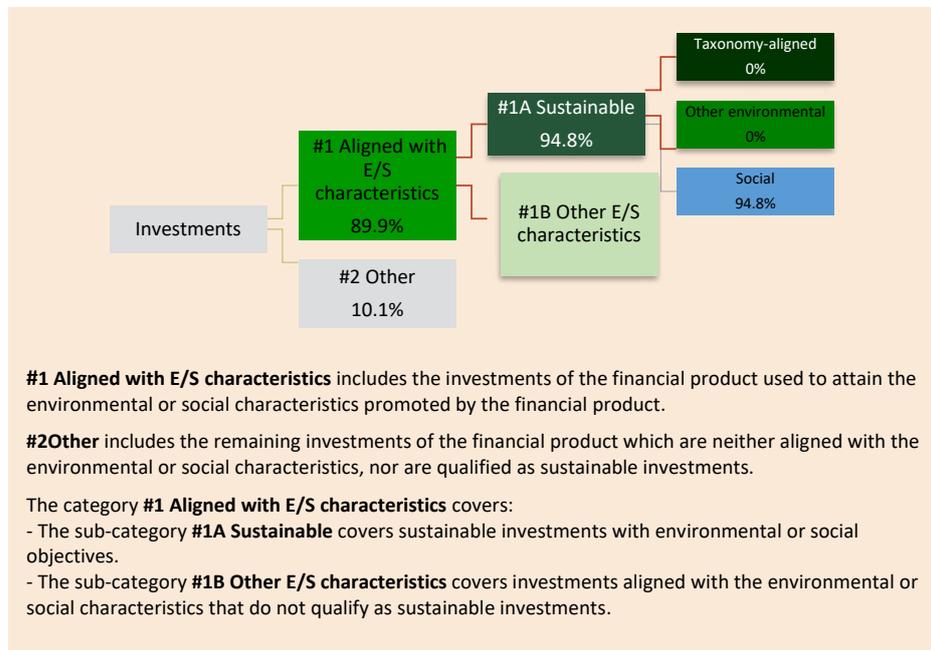
# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Healthcare Discovery Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>11</sup>
Medical-Biomedical/Gene	28.68%
Health Care	13.82%
Medical Products	13.29%
Medical-Drugs	9.17%
Medical-Hospitals	5.65%
Commercial Services	4.61%
Diagnostic Kits	4.14%
Medical Labs & Testing Services	3.47%
Drug Delivery Systems	3.01%
Medical Information System	2.67%
Enterprise Software/Serv	2.34%
Health Care Cost Contain	1.87%
Medical Imaging Systems	1.49%
Medical Instruments	1.44%
Containers-Metal/Glass	1.34%
Pharmaceuticals	1.24%
Medical-Outpatient/Home Med	1.15%
Healthcare-Products	0.62%

<sup>11</sup> This figure shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities under the EU Taxonomy Regulation.

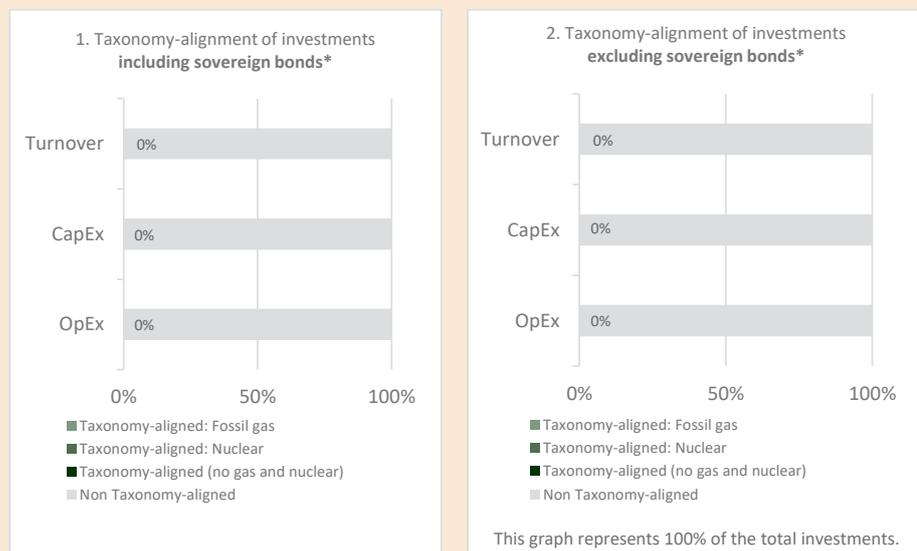
#### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>12</sup>?

Yes:

In fossil gas  In nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

<sup>12</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Discovery Fund continued

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in Sustainable Investments with an environmental objective, including environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund’s Sustainable Investments are aligned to the Fund’s three characteristics and are considered by the Investment Manager to be socially Sustainable Investments.

While the Fund does not have Sustainable Investments as its objective, the Fund invested 94.8% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they met the revenue threshold contributing to the sustainability objectives and passed the Do No Significant Harm test and followed good governance practices.<sup>13</sup>



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The Fund’s investments identified as #2 Other in the above diagram were made up of portions of revenues or expenditure of companies the Fund had invested in that were not aligned with the promoted characteristics of the Fund and cash held for liquidity purposes. During the reference period, an average of 10.1% of investments were not aligned with the promoted characteristics of the fund.<sup>14</sup>

All equity investments are subject to minimum environmental or social safeguards through the Fund’s exclusion criteria.

<sup>13</sup> This figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>14</sup> This figure shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, not aligned with the characteristics promoted by the Fund. The average is calculated as a simple average of the percentage of the Fund’s assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 30 September and 31 December.

The Fund held cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these holdings.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Investment Manager's methodology for assessing whether an investment contributes to a sustainable investment objective is harmonised with the assessment of its social characteristics.

Detailed examples of how companies held during the reference period were assessed and aligned with the Fund's characteristics and the sustainable investment objectives contributed to by the Fund are given above in the section "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?"

Using their sector expertise, company specific knowledge and often, engagement with company representatives, the Investment Manager assesses every prospective investee company for its revenue alignment or, where the company is at pre-revenue stage, operational expenditure alignment, with the characteristics and sustainable investment objectives described above.

Every prospective investment was also assessed against the Fund's exclusion criteria. Every investee company was assessed on the same basis and its alignment was monitored on an ongoing basis.

As well as pre-trade exclusion checks, a quarterly oversight review ensured compliance with the Fund's exclusion parameters.

At AGMs or shareholder meetings, the Investment Manager reviewed the resolutions and documented voting intentions and any resultant engagements with investee companies.

Stewardship activities, including voting, interactions with companies, and follow up engagements emanating from this assessment were documented in a central database. Monitoring of any ESG issues and controversies was undertaken during the reference period and is ongoing.

Smaller companies, including healthcare, by nature are typically on a growth journey, which encompasses sustainability. Strong management talent with adequate board support is a key factor of success across the business. As a result, investment opportunities can often be found in turnaround scenarios where new management are brought in and an operational and/or other reorganization ensues. This may lead to varying and specific circumstances with regard to proxy voting, human capital turnover and other shorter-term circumstances that initially may appear to be moving in the opposite direction as opposed to a longer-term opportunity for improvement and success.

Standard Bio is a commercial stage lifescience tools company with new management nearing completion of a business refocus and turnaround. Quarterly sustainability



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Discovery Fund continued

monitoring flagged the potential for an MSCI ESG Rating downgrade. In particular human capital development deemed significantly below industry average. Engagement with company leadership ensued thereafter where the recently hired CFO made clear human capital development was integral to company culture and the current rating stance more an issue of adequate recognised disclosure. In addition, the CFO pointed to an intentional HR hire and related meetings already underway, as well as looking to comparative peers and other benchmarking sources.

At an investee company, Cerevel Therapeutics, ISS recommended a vote against governance committee members given the board's failure to address certain issues that had scope to adversely impact shareholder rights. Cerevel is a clinical development stage biopharmaceutical company focused in the area of neurology looking to improve upon current standard of care for a range of epileptic, schizophrenia and depressive disorders. Prior to the proxy vote, the company experienced a complete C-suite change of leadership mid-year. While the Investment Manager ideally agreed with ISS that there was room for improvement, in this instance it elected to vote against ISS relative to timing in context of recent core leadership turnover. Both CEO and CFO were replaced in rapid succession and in close proximity to the proxy vote. As such, stability and company history at the board level believed to be the more material shorter term but to be revisited with the new company management over the upcoming healthcare conference season.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Healthcare Opportunities Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – Healthcare Opportunities Fund (the “Fund”)

**Legal entity identifier:** 54930002QS35HXNHZ756

### Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 92.8% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund invested in companies within the healthcare investment universe that contributed to:

- (i) improving clinical outcomes for patients through innovation,
- (ii) improving the affordability and accessibility of healthcare services; and
- (iii) improving the efficiency of the delivery of healthcare services.

By investing in these companies, the Investment Manager believes that the Fund contributes to Goal 3 of the United Nations Sustainable Development Goals (SDGs) which

### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

is to “ensure healthy lives and promote well-being for all at all ages”. The UN SDGs are part of the United Nation’s 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, and comprise 17 goals which aim to tackle the world’s approach to the environmental and social matters. The full list of the 17 UN SDGs can be found at <https://sdgs.un.org/goals>.

For the avoidance of doubt, the Fund may, and did over the period, invest in companies within the healthcare investment universe whose products and services do not, in part or in whole, contribute to the promoted characteristics outlined above where the Investment Manager is of the opinion that such an investment offers investment opportunities for the Fund.

#### ● **How did the sustainability indicators perform?**

The Investment Manager monitors the Fund’s attainment of its characteristics by evaluating the portfolio’s weighted exposure to each of the three promoted characteristics listed above.

The Investment Manager’s calculation of the Fund’s portfolio weighted exposure takes account of both revenue and operational expenditure exposure to the characteristics for commercial stage companies (i.e. companies which have taken their product or service to market, commercialised their product or service or which receive revenues from already commercialised products or services) and of actual or proposed operational expenditure exposure to the characteristics for precommercial stage companies (i.e. companies which are still in the development stage conducting pre-clinical testing and clinical trials of their product). The Investment Manager also accounts for instances in which an investee company’s revenue and/or operational expenditure is exposed to more than one of the social characteristics described above.

Over the reference period, a weighted average of 88.6% of the revenue or operational expenditure of the Fund’s assets was exposed to products, services or activities aligned with the three promoted characteristics (which is calculated by taking an average of the quarters ended March, June, September and December 2023)<sup>1</sup>.

<sup>1</sup> This shows the percentage revenue or operational expenditure exposure of the Fund’s assets, including cash, on a portfolio weighted basis, to the characteristics promoted by the Fund. The average is calculated as a simple average of the Fund’s percentage exposure as at 31 March, 30 June, 30 September and 31 December. In calculating the average, the Investment Manager may use operational expenditure rather than revenue, to calculate an investee company’s alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company’s alignment with the characteristics.



	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average <sup>2</sup>
Characteristic 1 Improve clinical outcomes for patients through innovation	61.7%	56.3%	60.2%	61.8%	60.0%
Characteristic 2 Improve the affordability and accessibility of healthcare services	6.9%	12.3%	7.6%	6.8%	8.4%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	17.2%	18.7%	23.5%	21.4%	20.2%
Overall Alignment	85.9%	87.3%	91.4%	90.0%	88.6%

As of the date of this report, 0% of the Fund's investments failed the exclusion criteria.

● **...and compared to previous periods?**

	2022 Average
Characteristic 1 Improve clinical outcomes for patients through innovation	65.3%
Characteristic 2 Improve the affordability and accessibility of healthcare services	8.2%
Characteristic 3 Improve the efficiency of the delivery of healthcare services	18.1
Overall Alignment	91.6%

Apart from minor fluctuations quarter to quarter, the alignment to each of the distinct characteristic of sustainable healthcare delivery has remained relatively constant over the period.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund commits to having a minimum proportion of 50% of its investments as Sustainable Investments. The Investment Manager considered a company eligible as a Sustainable Investment if the company contributed to the objectives:

- (i) improve clinical outcomes for patients through innovation;
- (ii) improve the affordability and accessibility of healthcare services; and
- (iii) improve the efficiency of the delivery of healthcare services.

<sup>2</sup> The Fund's average exposure to each characteristic is calculated by taking a simple average of the quarterly exposures. The average exposure to each characteristic on a quarterly basis is calculated by taking a portfolio weighted average of the exposure.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

Companies held by the Fund were aligned to the three sustainability objectives in a variety of ways. Examples of how the Investment Manager established an investee company's contribution to a sustainable investment objective are provided below.

Investee companies were deemed to contribute to improving clinical outcomes where they derived a sufficient portion of their revenues from, or committed a sufficient proportion of their operational expenditure to, activities such as drug discovery, the research and sale of new drugs, the sale of over the counter products and the sale of diagnostic tools and services.

Investee companies were deemed to contribute to improving the affordability and accessibility of healthcare where they derived a sufficient portion of their revenues from, or committed a sufficient proportion of their operational expenditure to, activities such as the manufacture of generic medicines and the provision of health insurance services.

Investee companies that derived a sufficient portion of revenues from activities such as hospitals and other healthcare facilities were aligned with the improving the efficiency of delivery of healthcare services objective.

Once an investee company's alignment with a sustainable investment objective has been established, the Investment Manager will then also confirm that it passes the Do No Significant Harm test referred to in the section below and that it followed good governance practices.

Over the reference period, an average of 92.8% of the Fund's investments were classified as Sustainable Investments.<sup>3</sup>

The Investment Manager noted that although on average the revenue alignment of healthcare companies held during the reference period to the sustainability objectives was high, some sources of revenue were not considered to be aligned with the above sustainable investment objectives, such as medical aesthetics, and non-healthcare business segments, such as electronics manufacturing.

While these revenue sources were not considered sustainable, an investee company that generated revenues from activities not aligned to the three sustainability objectives outlined above was still eligible to be considered as a Sustainable Investment if the investee company also had business segments that were positively aligned to the sustainability characteristics.

Examples of investee companies and their alignment to the three sustainability objectives outlined above are detailed below.

An investee company which improved clinical outcomes for patients through innovation is Legend Biotech. It generates 100% of its revenues from innovative medicines in oncology. Its novel drugs required extensive investment in research and

<sup>3</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

development to prove that the product delivers the desired therapeutic benefit with an acceptable safety profile. An extremely thorough regulatory process ensures that safe and efficacious medicines are developed that improve patients' clinical outcomes. The company is therefore deemed to be aligned with improving clinical outcomes through innovation. Patients with a form of blood cancer called multiple myeloma, which historically had a very poor chance of survival, in some cases now benefit from almost curative effects through the use of Legend's product.

Another investee company, Addus, is a personal care/home services business focused mainly on providing cost effective services to local populations paid for by state and federal government in the United States, a program called Medicaid. Clients of the company are able to access personal and medical care services which allow them to access healthcare in their home.

Finally, an investee company manufactures generic and biosimilar version of drugs which have come off patent. Innovation in healthcare requires significant levels of investment to prove that a drug is safe and has the desired therapeutic effect. Novel drugs and devices can apply for patent protection which provides a defined period of exclusivity to allow investment costs to be recouped. At the end of the patent life copies of these products are allowed to be made which drastically reduces the costs of these drugs to patients. Hikma Pharmaceuticals and Glenmark Life Sciences are examples of such companies where the Investment Manager deem 100% of their revenues aligned with improving the affordability of healthcare delivery.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), assessed each company, primarily using third party data, to determine whether it had an adverse impact on the environment and society.

Companies with controversies that had very severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

The Investment Manager used research from third party providers to provide deeper insights into a company's compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over whether an investee company should be viewed as having significantly harmed an environmental or social objective.

An example of the due diligence performed by the Investment Manager for DNSH is the monitoring it undertakes on investee companies with respect to controversies and the subsequent engagement it undertakes with investee



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

companies to gain further information on the nature and impact of controversy allegations.

Revence Therapeutics' Toxic Emissions and Waste Key Issue Score declined in the reporting period. This move followed a reassessment of its performance score by MSCI, an external agency which is used for screening. The down grade changed the KIS from 5 to 3. This score is based on the trend of toxic releases, and the performance on toxic releases versus peers, in areas such as meeting reduction targets. Revence is a small company, which can mean that it lacks disclosure rather than lacks compliance. Initial interactions were via email and then escalated to a call.

The conclusion, following the call, was that the company was doing the right things. There is an ESG steering committee which covers all aspects of company activities including day to day matters and which reports into the Board. They are currently collecting baseline data. The Investment Manager is in agreement with the company that this is the right time for baselining as the company launches its flagship product and has very limited manufacturing. The company's lead product is based on a toxin and therefore operations are very strictly controlled, a factor that may be lost on the uninitiated. Given oversight from CDC, the Centers for Disease Control and Prevention, which is the national public health agency of the United States, the Investment Manager does not share concerns over the environment pollution.

— — — *How were the indicators for adverse impacts on sustainability factors taken into account?*

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts ("PAI") indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 Level 2 of the Regulatory Technical Standards.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator, to assess harm caused by the company, and determined the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have been involved with severe violations of the UNGC principles on human rights, environmental protection, labour rights and anti-corruption, using third party controversy research related to these global norms.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

When assessing a company’s impact on the environment, the Investment Manager considered greenhouse gas (GHG) emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives. Where material, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero. Exposure to companies active in the fossil fuel sector were considered by the Investment Manager through the exclusion policy in place.

Furthermore, companies in the Healthcare sector have substantially lower energy and carbon intensities than market averages, so carbon emissions are on average much lower than most other industries. To illustrate this, the Scope 1 and 2 carbon emissions footprint of the Fund in TCO<sub>2e</sub>/EVIC AUM measured roughly around 7.7% of the MSCI ACWI Index as a whole as at 31 December 2023<sup>4</sup>.

Despite low industry emissions, Scope 1 and Scope 2 GHG emissions of investee companies were evaluated using either company reported data, or where this was not disclosed, through third party estimates based on business segment.

This emissions data was also used to collectively consider Carbon Footprint and GHG Intensity of investee companies. Where those emissions were considered material, the

<sup>4</sup> Source: MSCI Climate Change Metric: GHG emissions footprint. Where 100% coverage of a metric is not available, the Fund and index figures are estimated as if 100% coverage had been achieved and calculated on the basis of existing data coverage figures.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

Investment Manager engaged with the company to solicit the data. This emissions data was then referenced against the Fund's benchmark and the Healthcare sub-sector in which the investee company operates to identify those in sectors having a high impact on the climate. Where these emissions were flagged as being above a certain threshold, the Investment Manager assessed whether the company had a carbon emissions reduction strategy in place, and the sophistication of that strategy. In doing so, the Investment Manager considered whether that strategy or target is independently verified by a reputable third party such as the Science Based Targets initiative (SBTi), whether the company measures and reports its carbon emissions and whether the company's historic emission trend is on track with the reduction target.

The Investment Manager engaged with an Indian company, Max Healthcare, to flag concerns that under a PAI screen its carbon intensity was an outlier. The Investment Manager met with the company to discuss its carbon emissions policy in January 2023. The company reassured the Investment Manager that environmental factors were high on the company's agenda and throughout the year they expect progress on further defining its future strategy. At the meeting the Investment Manager was informed that the company has invested in hydropower in Himachal. The company continues to make progress in defining its commitments and in the annual report for FY 2023 committed to "Reducing the environmental footprint by targeting a 60% reduction in Scope 1 & 2 emissions" and "Emphasizing a sustainable supply chain, Max Healthcare endeavours to reduce emissions throughout its value/supply chain by 10% by 2025" through enhanced monitoring for tracking Scope 3 emissions in FY 2024. In 2024 it will undertake a study on Net Zero Targets to explore the possibility to achieve net-zero targets for carbon emissions, water, and waste and a Net Zero road map for the next 15 years.

The Investment Manager considered investee companies' exposure to the fossil fuel sector by evaluating their revenue breakdown using third party data. In line with the Fund's stated exclusions, 0% of the Fund's investee companies had revenues attributed to the fossil fuel sector over the reporting period.

The Investment Manager considered the board gender diversity and excessive CEO pay ratio of investee companies, and where it deemed appropriate, used its tools of active ownership to encourage better practices.

The 2022 annual report provided an example of how CEO pay was assessed in the Fund where a third party provider flagged an investee company for a potentially excessive pay for the CEO. However, on review, the Investment Manager concluded that the company continues to operate remuneration policies which the Investment Manager considers to be responsible.

In 2022 the Investment Manager started an engagement on gender diversity with a leader in online recruitment of Japanese healthcare professionals and healthcare related IT. The company had certain restrictions for 3 years post IPO relating to changing the composition of the Board. The Investment Manager expressed disappointment with the lack of independence and gender diversity and the company assured the Investment Manager that they would address the issue once the limitations were lifted. Earlier in 2023 the company appointed 3 new high quality independent non-executive directors and increased female board representation. The rating by MSCI improved from B to BB in



August 2023, with the report noting improvements in Governance, including the board structure and diversity.

In its assessments, the Investment Manager considered the standards of the United Nations Global Compact (UNGC), and the Organisation for Economic Co-Operation and Development's (OECD) Guidelines for Multinational Enterprises. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident to decide the appropriate action to take: whether to monitor, enter enhanced engagement, or divest from the company.

Every investee company was assessed for severe controversies and allegations of UNGC norms violations using data and information provided by third party data providers or independently sourced by the Investment Manager. When deemed material, the issue was investigated further with an in-depth review of the specific circumstances. During the reference period, no companies were assessed to have failed the UNGC standards.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

Indicator <sup>5</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>6</sup>
GHG Emissions (TCO2e)	Scope 1	1,981.3	90.7%	2,676.9	99.8%	-26.0%
	Scope 2	4,883.3	90.7%	3,737.1	99.8%	30.7%
	Scope 1 & 2	6,864.6	90.7%	6,414.0	99.8%	7.0%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	4.6	90.7%	4.3	99.8%	7.4%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	14.1	90.7%	11.1	99.8%	26.7%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	26.5	90.7%	16.5	99.8%	60.8%
Female Board Representation (%)		31.8	95.7	36.5	100.0	-12.7%



### What were the top investments of this financial product?

#### Largest investments<sup>7</sup> Sector % Assets Country

Largest investments <sup>7</sup>	Sector	% Assets	Country
Zealand Pharma	Medical-Drugs	9.6	Denmark
Swedish Orphan Biovitrum	Medical-Biomedical/Gene	9.5	Sweden
Regeneron Pharmaceuticals	Medical-Biomedical/Gene	3.8	United States
HCA Healthcare	Medical-Drugs	3.8	United States
Cytokinetics	Medical-Drugs	3.7	United States
Max Healthcare Institute	Medical-Hospitals	3.5	India
Avadel Pharmaceuticals ADR	Medical-Drugs	3.4	Ireland
Astellas Pharma	Medical-Drugs	3.3	Japan
Argenx	Money Market Fund	3.2	Netherlands
Xenon Pharmaceuticals	Medical-Biomedical/Gene	3.1	Canada
Neurocrine Biosciences	Medical-Biomedical/Gene	3.0	United States
Intuitive Surgical	Therapeutics	3.0	United States
Boston Scientific	Medical-HMO	3.0	United States
Acadia Healthcare	Medical Instruments	2.9	United States
Medley	Medical-Hospitals	2.9	Japan

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

<sup>5</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI AC World Daily Total Return Net Health Care Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €1,481.6m as of 31 December 2023. Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note these figures are provided for comparative and illustrative purposes only and should not be relied upon. The figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>6</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

<sup>7</sup> The top 15 largest holdings as at 31 December 2023.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund primarily seeks to invest in companies within the healthcare investment universe. The Investment Manager assessed 100% of the companies in the Fund for revenue alignment towards the Fund's promoted social characteristics.

During the reference period, a weighted average of 88.6% of the revenue or operational expenditure of the companies invested in were exposed to products, services or activities aligned with one or more of the three promoted characteristics<sup>8</sup>.

While the Fund does not have sustainable investing as its objective, the Fund invested 92.8% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they were deemed by the Investment Manager to contribute to the sustainable investment objectives identified above, passed the Do No Significant Harm test and followed good governance practices.<sup>9</sup>

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics' etc.)<sup>10</sup>*

**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

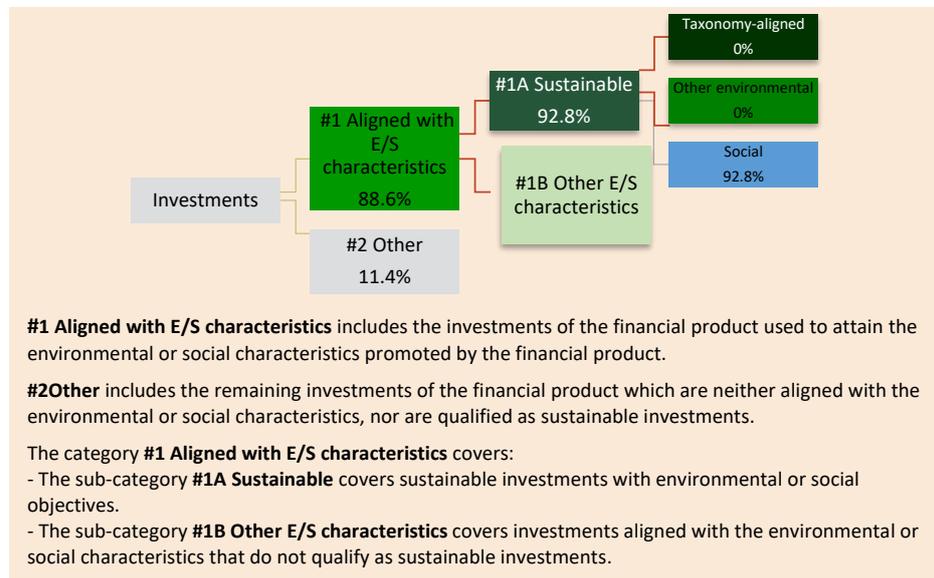
<sup>8</sup> This shows the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics. The average is calculated as a simple average of the Fund's percentage exposure as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December). In calculating the average, the Investment Manager may use operational expenditure rather than revenue, to calculate an investee company's alignment with the characteristics where that company is a pre-commercial stage company or where the Investment Manager feels that the operational expenditure is more reflective of the company's alignment with the characteristics.

<sup>9</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were classified as Sustainable Investments pursuant to the relevant sustainable investment objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of sustainable investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>10</sup> Please note that the Sustainable Investments figure may be greater than the E/S characteristics alignment figure. This is due to the E/S characteristics alignment figure being the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics, whereas the full weight of a portfolio holding is considered a Sustainable Investments if it meets the criteria to be considered a Sustainable Investment.

Appendix III – Sustainable Finance Disclosure Regulation  
(unaudited) continued

Healthcare Opportunities Fund continued



**In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>11</sup>
Medical-Drugs	26.1
Medical-Biomedical/Gene	24.6
Health Care	16.9
Medical-Hospitals	6.4
Medical-Wholesale Drug Distribution	3.3
Money Market Fund	3.2
Therapeutics	3.0
Medical-HMO	3.0
Medical Instruments	3.0
Commercial Services	2.9
Disposable Medical Product	2.2
Medical Products	2.1
Medical-Outpatient/Home Med	1.7
Drug Delivery Systems	1.5



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>11</sup> This figure shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023.



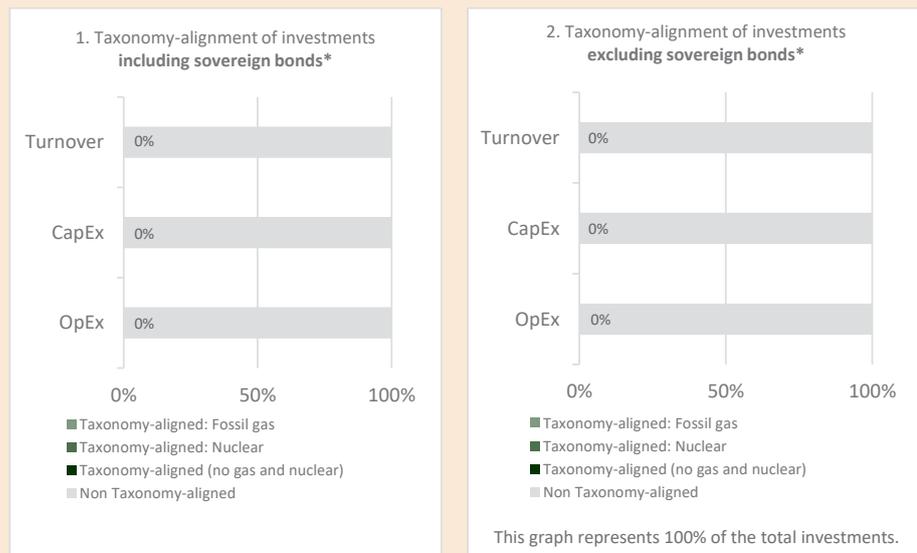
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>12</sup>?**

- Yes:
- In fossil gas     In nuclear energy
- No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>12</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in Sustainable Investments with an environmental objective, including environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



**What was the share of socially sustainable investments?**

The Fund's Sustainable Investments are aligned to the Fund's three characteristics and are considered by the Investment Manager to be Sustainable Investments with a social objective.

While the Fund does not have Sustainable Investments as its objective, the Fund invested 92.8% of its investments in Sustainable Investments with a social objective. Investments were considered Sustainable if they met the revenue threshold contributing to the sustainability objectives, passed the Do No Significant Harm test and followed good governance practices.<sup>13</sup>



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The Fund's investments identified as #2 Other in the above diagram were made up of portions of revenues or expenditure of companies the Fund had invested in that were not aligned with the promoted characteristics of the Fund and cash held for liquidity purposes. During the reference period, an average of 11.4% of investments were not aligned with the promoted characteristics of the Fund.<sup>14</sup>

All equity investments are subject to minimum environmental or social safeguards through the Fund's exclusion criteria.

The Fund held cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these holdings.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

<sup>13</sup> This figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, that were are classified as Sustainable Investments pursuant to the relevant Sustainable Investment Objectives. The average is calculated as a simple average of the Fund's quarterly portfolio weighted percentage of Sustainable Investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>14</sup> This figure shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, not aligned with the characteristics promoted by the Fund. The average is calculated as a simple average of the percentage of the Fund's assets, on a portfolio weighted basis, that were not aligned with the characteristics as at 31 March, 30 June, 30 September and 31 December.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Investment Manager's methodology for assessing whether an investment contributes to a Sustainable Investment Objective is harmonised with the assessment of its social characteristics.

Detailed examples of how companies held during the reference period were assessed and aligned with the characteristics promoted by the Fund and the Sustainable Investments Objectives contributed to by the Fund are given above in the section *"What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?"*.

Using its sector expertise, company specific knowledge and often, engagement with company representatives, the Investment Manager assessed every prospective investee company for its revenue alignment or, where the company is at pre-revenue stage, operational expenditure alignment, with the characteristics and sustainable investments objectives described above. Every prospective investment was also assessed against the Fund's exclusion criteria.

Every investee company was assessed on the same basis and its alignment was monitored on an ongoing basis.

As well as pre-trade exclusion checks, a quarterly oversight review ensured compliance with the Fund's exclusion parameters.

At AGMs or shareholder meetings, the Investment Manager reviewed the resolutions and documented its voting decisions, as well as any resultant engagements with investee companies.

Stewardship activities, including voting, interactions with companies, and follow up engagements emanating from this assessment were documented in a central database. Monitoring of any ESG issues and controversies was undertaken during the reference period and is ongoing.

Argenx is one example of a holding which promotes access and affordability of commercialised medicines, as well as efforts to address diversity and inclusion in medical research have recently been discussed. The company has adopted a global pricing strategy to ensure fair and equitable access to the company's first medicine, Vyvgart, for the treatment of myasthenia gravis and potentially for additional autoimmune diseases. Commercial adoption has been rapid, which is a testament to the strength of the clinical trial research as well as an appropriate commercialisation strategy. In addition, the Investment Manager in early 2023 raised the topic of diversity and inclusion in the context of equitable patient access to the company's clinical trials efforts with the company's head of investor relations. The company does not flag as poor on this issue, in fact, it demonstrates a high standard and quality on most of our ESG concerns. The discussion was useful for providing an open and valuable insight on best practice, and understanding more of the structural issues that may make progress on this issue difficult across the industry.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Healthcare Opportunities Fund continued

The Investment Manager engaged with Legend Biotech on a product quality issue, after the FDA issued an alert regarding the risk of T Cell Lymphoma associated with the application of cell therapy treatments. Conversation with the company revealed that it had reviewed the clinical data available and found limited instances directly associated with the identified risk. One T-cell lymphoma case Legend identified, following an investigation of retained samples from the clinical trial, was progressing slowly, not posing an immediate threat. Post-trial data was not available as patients' samples were not routinely kept once the product was commercialised. The FDA had been informed, but this side effect is not unique. Revlimid, a drug approved for the same indication, had a 7% background rate of secondary cancers, an issue which is referred to in the product labelling. The FDA notice clearly states that the treatment benefit outweighs this risk. The Investment Manager is satisfied that the company has acted with integrity and does not see this as a company specific issue.



#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Japan Value Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc – Japan Value Fund (the “Fund”)

Legal entity identifier: 549300M1VVCT6ODJ5Z19

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics through the application of its investment strategy. Using the Investment Manager’s proprietary ESG analysis tool, the ‘Japan Value Fund ESG Framework’, the Fund excluded companies which were deemed to demonstrate poor environmental or social characteristics as assessed through the Japan Value Fund ESG Framework and its exclusion policy.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Japan Value Fund continued

#### ● **How did the sustainability indicators perform?**

The Investment Manager used the Japan Value Fund ESG Framework to measure the attainment of the Fund's ESG characteristics. The Investment Manager also used adherence to the Fund's exclusion policy as an indicator to measure attainment of the Fund's environmental and social characteristics.

All companies in the Fund were assessed under the Japan Value Fund ESG Framework. Where the Investment Manager scored a company on an overall ESG basis below 6, the company was deemed not to have met the required standards of the Japan Value Fund ESG Framework and the Investment Manager excluded that company from the Fund.

Furthermore, in line with the requirements of good governance for all holdings, where a company's Governance score was below 6, it was also deemed to have not met the required standards of the Japan Value Fund ESG Framework and the Investment Manager excluded it from the Fund.

As a result, over the reference period, 100% of investee companies passed the exclusion criteria and minimum scoring threshold, and on average 97.3% of the investments of the Fund, on a portfolio weighted basis as a percentage of total assets including cash, were used to meet the environmental or social characteristics promoted by the Fund<sup>1</sup>.

During the reference period, the Fund opened 7 and closed 7 long positions.

#### ● **....and compared to previous periods?**

The Fund was classified as an Article 8 Fund on 28 August 2023 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

#### ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

<sup>1</sup> The figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, aligned with the Fund's characteristics as a result of passing the minimum criteria for investment set out in the Japan Value Fund ESG Framework. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end since the Fund was classified as an Article 8 Fund (i.e. 30 September and 31 December).

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

When assessing a company’s impact on the environment, the Investment Manager considered greenhouse gas (“GHG”) emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives.

Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. Where material revenues were flagged, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Japan Value Fund continued

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

The Investment Manager also took into account as part of its process the standards of the United Nations Global Compact, and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident to decide the appropriate action to take: whether to monitor, enter enhanced engagement, or divest from the company. No companies were involved in severe norms violations over the reference period so no action was taken.

The Investment Manager closed a position in Aeon Mall during the reference period. Concerns on the stock's impact on overall ESG characteristics were part of the decision to sell the stock. Absolute emissions on a Scope 1 & 2 basis were significant and there was no credible reduction policy in place. There were other concerns in place, including outlook for the core business, and that in addition to ESG concerns led to the stock being sold during the year.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>2</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>3</sup>
GHG Emissions (TCO2e)	Scope 1	3,880.7	84.6%	14,155.6	98.0%	-72.6%
	Scope 2	7,008.9	84.6%	5,508.3	98.0%	27.2%
	Scope 1 & 2	10,889.7	84.6%	19,663.9	98.0%	-44.6%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	47.8	84.6%	85.9	98.0%	-44.3%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	33.3	84.6%	115.3	98.0%	-71.1%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	34.2	84.6%	92.4	98.0%	-63.0%
Female Board Representation (%)		15.1	71.9%	18.7	97.2%	-19.4%

<sup>2</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI ACWI Financials ex. Real Estate Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €228.9 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>3</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



## What were the top investments of this financial product?

	Largest investments	Sector	% Assets	Country
The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 31 December 2023	Sumitomo Mitsui Financial	Financials	4.1	Japan
	Suzuki Motor	Consumer, Cyclical	4.0	Japan
	Mitsubishi UFJ Lease & Finance	Financials	3.9	Japan
	Daiwa Industries	Industrial	3.4	Japan
	Medikit	Consumer, Non-cyclical	3.3	Japan
	Ushio	Consumer Staples	3.2	Japan
	SK Kaken	Basic Materials	2.8	Japan
	KYOTO FINANCIAL GROUP INC	Financials	2.7	Japan
	DAI-ICHI LIFE HOLDINGS INC	Financials	2.7	Japan
	Toyota Industries	Consumer, Cyclical	2.4	Japan
	Forum Engineering	Technology	2.2	Japan
	M&A CAPITAL PARTNERS CO LTD NP	Industrials	2.2	Japan
	Square Enix	Communications	2.1	Japan
	Medipal	Health Care	2.1	Japan
	Iriso Electronics	Industrials	2.1	Japan



## What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

Asset allocation describes the share of investments in specific assets.

### ● *What was the asset allocation?*

The Fund invested primarily in securities of issuers that are incorporated, have their headquarters, or exercise a significant part of their economic activities in Japan. The Investment Manager used the Japan Value Fund ESG Framework to assess the environmental and/or social characteristics (“E/S”) of each investee company.

100% of the companies the Fund invested in were assessed under the Investment Manager’s Japan Value Fund ESG Framework, which was used to assess and deliver the environmental or social characteristics promoted by the Fund.

During the reference period, an average of 97.3% of investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund<sup>4</sup>.

<sup>4</sup> The figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, aligned with the Fund’s characteristics as a result of passing the minimum criteria for investment set out in the Financials Team ESG Framework. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end since the Fund was classified as an Article 8 Fund (i.e. 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

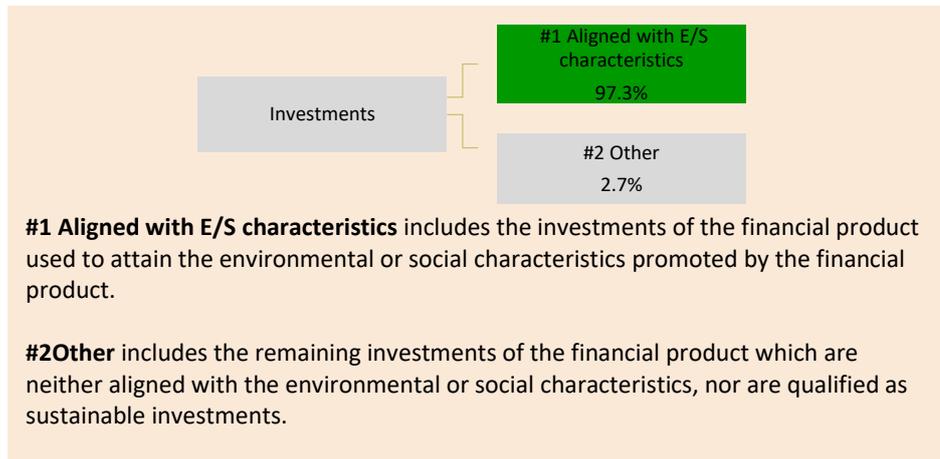
### Japan Value Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’ etc.)



#### In which economic sectors were the investments made?

Economic Sectors	% Assets <sup>5</sup>
Financials	16.8
Industrial	16.3
Technology	12.6
Consumer, Cyclical	10.9
Consumer, Non-cyclical	9.0
Communications	6.6
Industrials	6.5
Consumer Discretionary	5.2
Health Care	5.1
Consumer Staples	4.5
Basic Materials	4.2
Technology Hardware & Equipment	1.4
Materials	1.2



#### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>5</sup> This shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023.



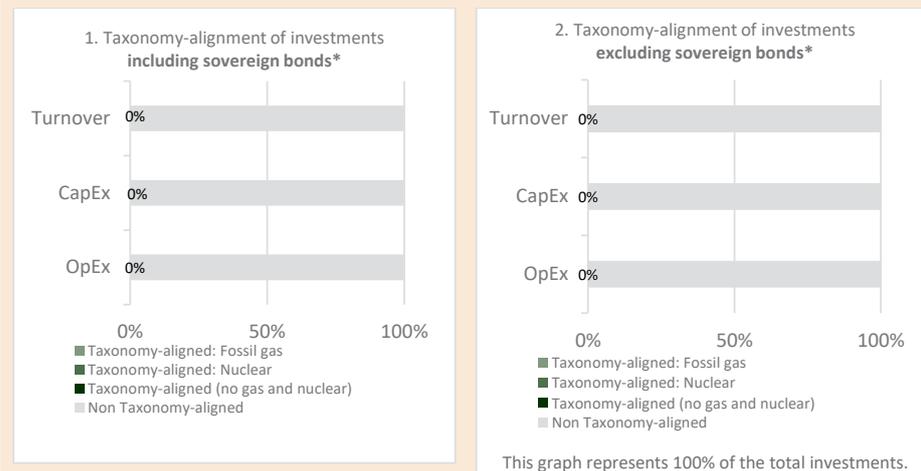
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>6</sup>?**

- **Yes:**
- In fossil gas
  - In nuclear energy
- ✘ **No**

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>6</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy Regulation are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Japan Value Fund continued

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



#### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



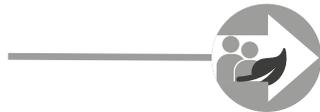
#### **What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



#### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, an average of 2.7% of the Fund’s investments identified as #2 Other in the above diagram were held in cash in line with the Fund’s Investment Policy. There were no minimum environmental or social safeguards applicable to these investments.<sup>7</sup>



#### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In accordance with the investment strategy for the Fund, the Investment Manager assessed every investee company using the Japan Value Fund ESG Framework. This involves an analysis of the company’s environmental, social and governance profile, against a variety of indicators, including but not limited to GHG emissions, culture and board gender diversity, board effectiveness and ownership structure, and the assignment of a specific ESG score from 3 to 15.

Where the Investment Manager scored a company on an overall ESG basis below 6, the company was deemed to have not met the required standards of the Japan Value Fund ESG Framework and the Investment Manager excluded that company from the Fund.

Furthermore, in line with the requirements of good governance for all holdings, if a company’s Governance score was below 6, it was also deemed to have not met the required standards of the Japan Value Fund ESG Framework and the Investment Manager excluded it from the Fund.

The governance analysis of a company included a qualitative factor, based on an assessment risk management practices, strategic consistency, litigation/reputational risk and stakeholder engagement, informed through interactions with the company and the responsiveness of its management. When considering risk management practices, both management structures and tax compliance were assessed.

<sup>7</sup> This figure shows the portfolio weighted average of the assets of the Fund, including cash, which were classified as other investments and therefore not aligned with the characteristics during the reference period. The average alignment is calculated as a simple average of the portfolio weighted alignment at 30 September 2023 and 31 December 2023.

Every existing holding was assessed on the same basis and its alignment was monitored on an ongoing basis. The Investment Manager used a variety of information sources to assess each company including, but not limited to, company financial accounts and statements, third party research, and engagement and dialogue with management.

As a demonstration of the application of the Japan Value Fund ESG Framework, the Investment Manager recently assessed Rohm, a Japanese semiconductor manufacturer. The absolute emissions of the company are high, and it sits in a very high emissions bracket. However, the company has detailed disclosures on emissions and has more stringent than average emission reduction targets, such as its aim for a 30% reduction in CO2 emissions by 2030. The company is also instrumental in the development of electric vehicles, which have an enormous environmental benefit to society. The company therefore scored relatively well in the environmental section, and had very strong social and governance performance, which contributed to one of the strongest overall performances of any company against the Japan Value Fund ESG Framework.

The Investment Manager also assessed Aida Engineering, a machinery manufacturer, during the reference period. The company scored relatively well on the environmental questions, as despite the lack of disclosure of goals or targets, the company is in a low impact sector and has a downward trending, low level of emissions. The company's social score is negatively impacted by its lack of female representation on the board, although scores well for culture and stakeholder engagement. The governance assessment highlights that the board effectiveness is average but performs well in corporate structure and management alignment. Overall, the company scores performed more modestly than Rohm against the Framework.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## North American Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – North American Fund (the “Fund”)  
**Legal entity identifier:** 549300E1985KCB4EO849

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%</p>	<p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Fund promoted environmental and social characteristics through the application of its investment strategy.

Using the Investment Manager’s proprietary ESG analysis framework (the “North American Fund Framework”), the Fund sought to invest in companies with positive aggregate scores against the four ESG categories below:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



- (i) Interaction with the Environment - This concerns a company's management of the risks and opportunities related to the environment.
- (ii) Treatment of Stakeholders - This concerns a company's practices and policies in relation to all stakeholders.
- (iii) Corporate Governance - This concerns a company's governance structures and frameworks.
- (iv) Positive Contribution to Society - This concerns the company's ability to contribute to broader society in a sustainable manner and the likelihood that this will improve over time.

● **How did the sustainability indicators perform?**

The Investment Manager used the North American Fund Framework to measure the attainment of the Fund's environmental or social characteristics against the four categories described above.

All companies in the Fund were assessed under the North American Fund Framework. For the full year, an average of 92%<sup>1</sup> of companies in the Fund scored 1 or higher on the North American Fund Framework. When including cash in the denominator, an average 90%<sup>2</sup> of the investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund.

In addition, all companies passed the North American Fund Framework minimum criteria of not scoring -3 on any single category and not scoring below -4 in aggregate across the 4 categories.

There was no significant deterioration in the scores for any company over the period.

A summary of the Fund's headline scores of the four categories over the reference period is shown below<sup>3</sup>:

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<sup>1</sup> This figure shows the percentage of investee companies of the Fund, on an equal weighted basis, that exceeded the threshold of scoring 1 or higher in aggregate across the four categories of the North American Fund Framework. The full year average is calculated as a simple average of the Fund's percentages as at the end of each quarter.

<sup>2</sup> This figure shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that exceeds the threshold of scoring 1 or higher in aggregate across the four categories of the North American Fund Framework. The average is calculated as a simple average of the Fund's percentages as at the end of each quarter.

<sup>3</sup> These figures show the performance of investee companies of the Fund, on an equal weighted basis, against the North American Fund Framework.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### North American Fund continued

Category	31/03/2023	30/06/2023	30/09/2023	31/12/2023	2023 Average
Interaction with the Environment	1.1	1.1	1.1	1.1	1.1
Treatment of Stakeholders	1.0	0.8	0.8	0.7	0.8
Corporate Governance	1.0	0.9	0.9	0.8	0.9
Positive Contribution to Society	1.3	1.3	1.3	1.3	1.3
<b>Fund North American Fund Framework Score</b>	<b>4.4</b>	<b>4.2</b>	<b>4.1</b>	<b>3.9</b>	<b>4.1</b>

● *...and compared to previous periods?*

Category	2022 Average
Interaction with the Environment	1.1
Treatment of Stakeholders	0.9
Corporate Governance	1.0
Positive Contribution to Society	1.2
<b>Fund North American Fund Framework Score</b>	<b>4.2</b>

The average aggregate score was lower in 2023 than in 2022. The change from 4.2 to 4.1 represents a 2% reduction in aggregate scores. While a large number of companies held in the portfolio saw their scores upgraded or downgraded, the net effect of this on the aggregate score was actually negligible, as the upgrades and downgrades offset each other.

Instead, the changes made to holdings, i.e. the effect of complete sales of positions and the inclusion of new positions, had the effect of slightly pulling down the average aggregate score. Specifically, the Investment Manager sold several very high scoring holdings for reasons unrelated to their ESG credentials. These were replaced with investee companies that were more average in their overall scoring.

No changes were made to the process over the reporting period.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

This Fund did not consider the principle adverse impacts of its investment decisions on sustainability factors pursuant to Article 7 of the SFDR during the reference period.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### North American Fund continued



#### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Alphabet	Communications	5.1	United States
Visa	Consumer, Non-Cyclical	4.8	United States
Amazon.com	Communications	4.5	United States
Microsoft	Technology	4.0	United States
Constellation Software	Technology	4.0	Canada
McKesson	Consumer, Non-Cyclical	3.3	United States
CRH	Industrial	3.2	Ireland
US Foods	Consumer, Non-Cyclical	3.1	United States
United Rentals	Consumer, Non-Cyclical	3.0	United States
Anthem	Consumer, Non-Cyclical	2.8	United States
Amdocs	Technology	2.8	Guernsey
Centene	Consumer, Non-Cyclical	2.8	United States
Ferguson	Consumer, Cyclical	2.7	Jersey
Fairfax Financial	Financial	2.7	Canada
Intercontinental Exchange	Financial	2.7	United States

#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



**Asset allocation** describes the share of investments in specific assets.

#### ● What was the asset allocation?

The Fund invested primarily in a diversified portfolio of North American listed companies. The Investment Manager used the North American Fund Framework to assess the environmental and/or social characteristics (“E/S”) of each investee company.

100% of the companies the Fund invested in were assessed under the Investment Manager’s North American Fund Framework, which was used to assess and deliver the environmental or social characteristics promoted by the Fund.

All companies in the Fund were assessed under the North American Fund Framework. For the full year, an average of 92%<sup>4</sup> of companies in the Fund scored 1 or higher on the North American Fund Framework.

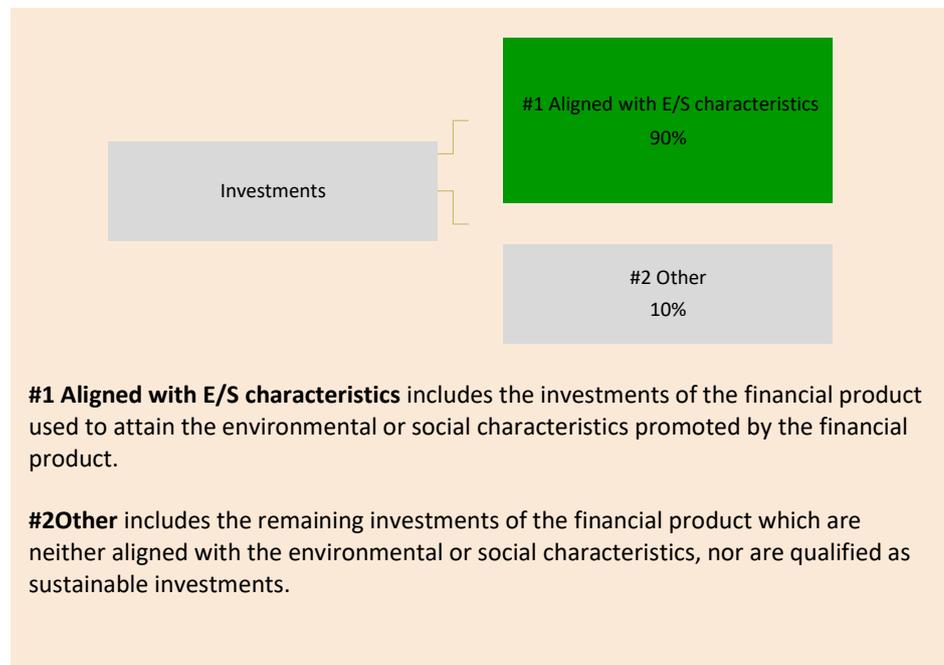
<sup>4</sup> This figure shows the percentage of investee companies of the Fund, on an equal weighted basis, that exceeded the threshold of scoring 1 or higher in aggregate across the four categories of the North American Fund Framework. The full year average is calculated as a simple average of the Fund’s percentages as at the end of each quarter.

When including cash in the denominator, an average 90%<sup>5</sup> of the investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund. In addition, all companies passed the North American Fund Framework criteria of not scoring -3 on any single category and not scoring below -4 in aggregate across the 4 categories. There was no significant deterioration in the scores for any company over the period.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Aligned with E/S characteristics’, etc.)*

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



<sup>5</sup> This figure shows the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that exceeds the threshold of scoring 1 or higher in aggregate across the four categories of the North American Fund Framework. The average is calculated as a simple average of the Fund’s percentages as at the end of each quarter.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### North American Fund continued

#### ● In which economic sectors were the investments made?

Economic Sector	% Assets <sup>6</sup>
Consumer, Non-Cyclical	23.7
Technology	23.2
Communications	16.9
Financials	12.2
Industrial	8.7
Consumer, Cyclical	8.4
Energy	4.7
Materials	1.6

Further to the information provided above, the Regulatory Technical Standards of the SFDR requires Article 8 SFDR funds to identify their exposure to the fossil fuel sector, including those companies that are involved in the value or supply chain of fossil fuels.

The Fund held positions in the following companies during the reference period which were exposed to fossil fuels:

#### **Canadian Natural Resources Limited, Cenovus Energy and Imperial Oil**

Canadian Natural Resources Ltd, Cenovus Energy and Imperial Oil are Canada-based companies engaged in oil and gas exploration and production. While the Investment Manager considers lower demand for hydrocarbons over the next several decades to be a threat to these businesses, the Investment Manager also expects long term supply to struggle to keep up with demand, given lack of investment in the industry and the finite nature of the resource. With reserves that can sustain current production levels for decades, both companies are strategically advantaged.

The Investment Manager also considers that it is beneficial for society that its hydrocarbon production requirements come from businesses with sound environmental and social credentials. The Investment Manager believes the three companies have relatively high standards with a good record of reducing emissions and a credible plan to continue to do so.

In 2021, the three companies in question, along with Canada's other largest oil sands producers, established the Pathways Alliance. The goal of this alliance, working collectively with the Federal and Alberta governments, is to achieve net zero greenhouse gas ("GHG") emissions from oil sands operations by 2050, to help Canada meet its climate goals, including its Paris Agreement commitments and 2050 net zero carbon emissions aspirations. This is one of the most substantial and credible intra industry alliances across the world when it comes to climate change that the Investment Manager is aware of. Moreover, from a social perspective, the

<sup>6</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.



companies have a good record of safety and working with local aboriginal communities.

#### **Union Pacific**

Union Pacific connects approximately 23 states in the western two-thirds of the United States of America by rail. The company currently flags for fossil fuel revenue exposure as it derives revenues from oil, gas and coal transportation. However, this is a minority part of the business and the company should also benefit in the future from the transport required to build renewable energy infrastructure.

The Investment Manager takes account of the fact that Union Pacific uses hydrocarbons to power its fleet. Consumption of hydrocarbons emits more GHGs than production. On the positive side, where rail competes with other viable transportation alternatives such as trucking, rail is a more efficient transport solution when it comes to GHG emissions (75% lower emissions per ton of goods transported). The company has successfully reduced carbon intensity over the last decade and has a credible plan to continue to do so, having made a commitment to set a net zero target in line with SBTi.

#### **Norfolk Southern**

Norfolk Southern provides rail transportation for the eastern part of the United States. The company derives revenues from oil, gas and coal transportation. However, this is a minority part of the business and the company should also benefit in the future from the transport required to build renewable energy infrastructure.

Similar to Union Pacific, the Investment Manager takes account of the fact that Norfolk Southern uses hydrocarbons to power its fleet and that consumption of hydrocarbons emits more GHGs than production. However, as stated above, where rail competes with other viable transportation alternatives such as trucking, rail is a more efficient transport solution when it comes to GHG emissions (75% lower emissions per ton of goods transported).

The company has successfully reduced carbon intensity over the last decade and has a credible plan to continue to do so. Norfolk Southern also has a very small legacy subsidiary, Pocahontas Land, that owns natural resource properties which have coal reserves. This is immaterial to the company's financials and future prospects.

#### **Teck Resources Limited**

Teck Resources Limited is a Canada-based mining company that operates in copper, zinc and steelmaking coal. The company derives a large part of its cash flows from the production of metallurgical coal for use in steel making.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### North American Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The Investment Manager considers this a long term risk over the next several decades as steel manufacturers eventually move to cleaner forms of production. However, of note, the business is ramping up its copper production. Copper is a key base metal required for the electrification of society and is a key element required for renewable energy infrastructure.

As expected by the Investment Manager, during 2023, the company announced the sale of all of its metallurgical coal assets to Glencore in a deal expected to close in 2024. The company expects to derive the majority of its future profits from copper and this provides a large opportunity for value creation for the business and also upward valuation potential for the stock. Also of note, the company has a strong record with environmental and social related issues and the Investment Manager expects this to continue. For instance, the company has been costing carbon pricing into the majority of its operations since 2008. It has goals to achieve net-zero GHG emissions by 2050 across all aspects of its business and activities, and net-zero on a Scope 2 GHG emissions basis by 2025. Some of these goals will be accelerated by the formal divestment of the coal assets, and we expect the company to highlight this in its post-divestment sustainability report.

From a social perspective, the company has a strong safety record and a strong programme of supporting local communities.

#### **Ovintiv Inc.**

Ovintiv Inc. is an oil and natural gas exploration and production company. While the Investment Manager considers lower demand for hydrocarbons over the next several decades to be a threat to the business, the Investment Manager also expects long term supply to struggle to keep up with demand given lack of investment in the industry and finite nature of the resource.

The Investment Manager also considers that it is beneficial for society that its hydrocarbon production requirements be produced by businesses with sound environmental and social credentials.

The Investment Manager believes Ovintiv has relatively high standards from an environmental and social perspective. For instance, the company has achieved a 24% reduction in Scope 1 & 2 GHG emissions intensity since 2019, and is therefore progressing towards the company's target of reducing Scope 1 & 2 GHG emissions intensity by 50% by 2030 from 2019 levels.

The Fund sold out of its position in the company over the reference period.



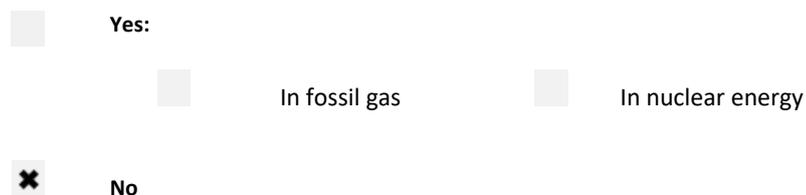
#### **To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

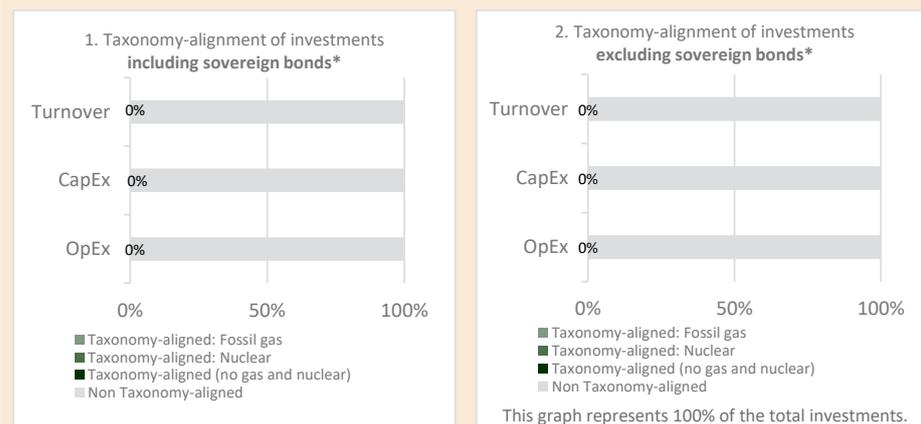
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?**



*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>7</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### North American Fund continued

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



#### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



#### **What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



#### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

During the reference period, an average of 10% of the Fund’s investments were identified as #2 Other in the above diagram.

The Fund held positions in equity securities that did not contribute towards the Fund’s promoted characteristics, as well as cash for liquidity purposes.

All equity securities were assessed under the North American Fund Framework to ensure their compliance with minimum social safeguards. All investee companies analysed passed the exclusion criteria of scoring better than -3 on any single category (including environmental and social categories) and scoring above -4 in aggregate across the 4 categories, meaning all investable positions complied with the minimum requirements of the North American Fund Framework.

There are no minimum environmental or social safeguards applicable to cash investments.



#### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

All investee companies were assessed under the North American Fund Framework, which incorporates 4 ESG-related categories as part of a 15-point fundamental checklist. 2 of those 4 ESG categories specifically address environmental and social characteristics of investments. All investee companies analysed passed the exclusion criteria of scoring better than -3 on any single category (including environmental and social categories) and scoring above -4 in aggregate across the 4 categories.

The Investment Manager analysed and appraised information from multiple sources during the reference period, including reports from third party ESG specialists and documents from companies themselves, such as 10Ks and sustainability reports. The Investment Manager also conducted meetings with the management of a number of prospective and current investee companies.

Material engagement issues raised with management teams over the period included a series of interactions on governance (and by extension, environmental) matters with Teck Resources, a copper and coal mining company, based in Vancouver. The Investment Manager attended a meeting with representatives from the company as well as holding several follow up conference calls and meetings to address the company's proposals both to spin off its metallurgical coal operations and to terminate the dual share class structure that currently gives super-majority control of the company to the founder.

Whilst both proposals are of a governance nature, the former has implications for the company's future environmental footprint. The Investment Manager had raised both matters with the company during the original due diligence process prior to its investment in 2022 and also since that investment. The amendment to the dual share class structure will take effect in 2026, and the spin-off of the metallurgical coal assets actually ended up being a complete sale of those assets to Glencore.

Another example of engagement was with Norfolk Southern, the railroad operator. This involved the Investment Manager sending a letter to the chair of the board airing concerns regarding operational execution, particularly with regard to safety, and recommending a more direct link between management pay and safety, and a follow up discussion regarding these issues.



#### How did this financial product perform compared to the reference benchmark?

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Smart Energy Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Polar Capital Funds plc - Smart Energy Fund (the "Fund")

**Legal entity identifier:** 5493000XYVRO8AIHN823

### Sustainable investment objective

**Did this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 99.0%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

The Fund has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The Fund achieved its sustainable investment objective by investing in a portfolio of companies worldwide that supported, through their technology solutions and services, the decarbonisation and electrification of the global energy sector.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

● **How did the sustainability indicators perform?**

The Investment Manager measured the Fund's alignment with its sustainable investment objective on a qualitative and quantitative basis by:

1. The alignment of the Fund's investments with the Fund's eligible investment universe, as described in the 'Investment Strategy' section of the Fund's SFDR prospectus annex and website disclosures, which only includes companies that derive a significant portion of their current or future revenue from activities that are in line with the Fund's sustainable investment objective.
2. The alignment of the Fund's investments with the Investment Manager's exclusions list for the Fund, as set out in the 'Investment Strategy' section of the Fund's SFDR prospectus annex and website disclosures.

During the reference period of this annual report, the Investment Manager's eligible investment universe comprised four main themes. A breakdown of the Fund weightings to the four themes over the reference period is given below.

*Fund exposures to each of the four themes over the reference period<sup>1</sup>:*

Investment Area	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average 2023 <sup>2</sup>
Clean Power Generation	12.7%	11.6%	4.2%	3.9%	8.1%
Energy Conversion & Storage	34.0%	36.3%	34.3%	34.5%	34.8%
Energy Efficiency	44.3%	41.4%	43.1%	46.6%	43.8%
Energy Transmission & Distribution	9.0%	10.4%	15.0%	14.6%	12.3%
Cash	0.0%	0.3%	3.5%	0.4%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> The table shows the percentage of the Fund's investments, on a portfolio weighted basis, aligned with investment areas contributing to the Fund's sustainable investment objective as at the relevant date.

<sup>2</sup> The figures show the average alignment of the Fund with each investment area during the reference period. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at the end of each quarter (i.e. 31 March, 30 June, 30 September and 31 December).



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Energy Fund continued

The Fund's weighted average current or future revenue alignment to the four themes over the reference period<sup>3</sup>:

Investment Area	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average 2023 <sup>4</sup>
Clean Power Generation	100.0%	100.0%	100.0%	100.0%	100.0%
Energy Conversion & Storage	71.3%	72.5%	80.1%	76.1%	75.0%
Energy Efficiency	82.0%	81.8%	78.0%	78.7%	80.1%
Energy Transmission & Distribution	73.4%	68.6%	70.9%	71.4%	71.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Weighted Average</b>	<b>79.9%</b>	<b>78.9%</b>	<b>75.9%</b>	<b>77.2%</b>	<b>78.0%</b>

During the reference period, the Fund did not invest in any companies that were not aligned with the Fund's sustainable investment objective by virtue of not meeting the prescribed current or future revenue exposure threshold. The Investment Manager became aware of one company having potential links to tobacco-related activities during the review period, and subsequently exited the position out of an abundance of caution. The Investment Manager did not otherwise invest in companies that participated in activities linked to the Fund's exclusions criteria.

All of the Fund's equity investments during the reference period contributed to the Fund's sustainable investment objective through their exposure to one or more of the sub-themes set out above.

During the reference period, the Fund averaged 99.0%<sup>5</sup> in Sustainable Investments that met the sustainable investment objective, of which 100% contributed to environmental objectives.

The Fund did not use derivatives to attain its sustainable investment objective over the reference period.

<sup>3</sup> The table shows the average alignment of the current or future revenues of the investee companies within each investment area (please see Figure 1 for details of the percentage of the Fund aligned with the relevant investment areas) as at the relevant date.

<sup>4</sup> The average is calculated as a simple average of the quarterly portfolio weighted averages as at the end of each quarter (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>5</sup> The figure shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

● *...and compared to previous periods?*

Investment Area	Portfolio Average Weight 2021	Revenue Exposure 2021 <sup>6</sup>	Portfolio Average Weight 2022	Average Revenue Exposure 2022	Portfolio Average Weight 2023	Average Revenue Exposure 2023
Clean Power Generation	6.6%	100.0%	16.0%	100.0%	8.1%	100.0%
Energy Conversion & Storage	35.7%	76.0%	29.9%	74.5%	34.8%	75.0%
Energy Efficiency	45.1%	79.1%	39.1%	83.4%	43.8%	80.1%
Energy Transmission & Distribution	12.2%	76.2%	14.6%	80.2%	12.3%	71.1%
Cash	0.4%	0.0%	0.4%	0.0%	1.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>78.7%</b>	<b>100.0%</b>	<b>82.6%</b>	<b>100.0%</b>	<b>78.0%</b>

For the avoidance of doubt, neither the Fund’s sustainability indicators nor the Fund’s performance on those indicators are subject to assurance by an auditor or review by a third party.

● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

The Investment Manager, in compliance with the principle of Do No Significant Harm (“DNSH”), assessed each company, primarily using third party data, on whether it had an adverse impact on the environment and society.

Companies with controversies that had severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager and were, therefore, excluded from the Fund.

The Investment Manager used research from third party providers to provide deeper insights into a company’s compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over the assessment of whether a company was involved in a severe controversy over the review period.

As an example, the Investment Manager excluded GCL Technology, a photovoltaic material producer, from the eligible universe during the reference period. Several investigative reports have alleged that the company is in violation of human rights. The company is alleged to have employed Uyghurs and other ethnic minorities in forced labour as part of the Chinese government’s labour transfer programs where they were held in ‘re-education camps’, subjected to abuse and kept under surveillance.

After the Investment Manager reviewed the various reports and conducted its own assessment, the Investment Manager decided to exclude the company from its

<sup>6</sup> Please note that the Fund launched on 30 September 2021. The Fund’s 2021 thematic alignment and revenue alignment figures are therefore provided as at 31 December 2021 and do not represent a quarterly average as do the Fund’s 2022 thematic alignment and revenue alignment figures.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Energy Fund continued

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

investable universe as it viewed its response to the reports as unconvincing in refuting the allegations.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts (“PAI”) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 to the SFDR Regulatory Technical Standards.

Over the reference period, the Investment Manager carried out a screening process during the construction of its eligible investment universe to exclude any companies that significantly harm environmental or social objectives due to their involvement in a range of controversial business activities. The Investment Manager used external ESG data providers as an initial input for the screen. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager, to the best of its ability, used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

As an example, Linde Plc, a leading industrial gas producer that operates in a high impact sector relating to carbon emissions and energy use, was flagged for further investigation due to its high carbon emissions and energy usage. After assessing its sustainability performance relating to carbon emissions and energy use, the Investment Manager decided to keep the company in the universe and the Fund.

Industrial gases have a key role in decarbonising industries. Linde provides solutions such as green or low carbon hydrogen that are used in refineries, fertilizer production, steel manufacturing and mobility applications, as well as providing carbon capture of carbon dioxide streams from gasifiers and hydrogen plants.

Linde Plc has set SBTi targets, committed to reduce Scope 1 and 2 GHG emissions by 35% by 2035, compared to its 2021 emissions baseline, and has a roadmap to climate neutrality by 2050. Its absolute emissions are stable. The company targets, which include both absolute GHG reduction and intensity, are laid out in its decarbonisation pathway.

Further to this, the company’s energy use intensity trend has also been stable and is in line with its industry peers. Its reduction commitments include increasing renewable energy usage by 3 times, developing a zero-emissions vehicle fleet by 2050 using hydrogen fuel cell and EVs, switching from sourcing raw materials via fossil fuels to emissions-neutral sources such as synthetic fuels and using carbon

capture and green hydrogen solutions. It has also laid out its long-term energy reduction roadmap.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducting further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have been involved in severe violations of the UNGC principles and OECD Guidelines using third party controversy research related to these global norms.



#### **How did this financial product consider principal adverse impacts on sustainability factors?**

As part of its do no significant harm assessment (“DNSH”) with respect to sustainable investments, the Investment Manager considered the mandatory Principal Adverse Impacts (PAI) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 of the Regulatory Technical Standards.

Where material, the Investment Manager considered the following principal adverse impacts of a company on the environment and society in the manner described below.

Unless subject to an exclusion, either as a result of the application of the exclusions policy or as a result of a principle adverse impact indicating that the company causes significant harm to a sustainable investment objective, where it was deemed necessary or prudent, the Investment Manager sought to improve the adverse impacts of investee companies through active ownership activities such as engagement, voting or if necessary, divestment from the company within a reasonable timeframe, taking into consideration the best interests of the Fund and its Shareholders.

Factors considered when assessing a company’s impact on the environment included GHG emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and/or production profile and carbon reduction initiatives. Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager.

In accordance with the Fund’s exclusions criteria, companies involved in the exploration, production and distribution of oil, natural gas, coal, and the first generation of biofuels (derived from food crops) are excluded. Furthermore, utilities with fossil fuel or nuclear power generation, as well as natural gas transmission and distribution utilities, are also excluded.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Energy Fund continued

Similarly, the Investment Manager considered the biodiversity impact of, the water use of and hazardous waste generated by a company, where deemed material.

The Investment Manager considered the board gender diversity and, where possible, gender pay gap of investee companies.

The Investment Manager considered the standards of the United Nations Global Compact ('UNGC'), and the Organisation for Economic Co-Operation and Development's ('OECD') Guidelines for Multinational Enterprises. If a company is involved in severe controversies or norms violations, the Investment Manager assesses the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

During the reference period, no investee companies were deemed to be in violation of the standards of the United Nations Global Compact, and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance in relation to selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>7</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>8</sup>
GHG Emissions (TCO <sub>2</sub> e)	Scope 1	5,898.5	99.6%	13,130.3	99.8%	-55.1%
	Scope 2	6,388.9	99.6%	2,989.8	99.8%	113.7%
	Scope 1 & 2	12,287.4	99.6%	16,120.1	99.8%	-23.8%
Carbon Footprint (TCO <sub>2</sub> e/ €m Invested)	Scope 1 & 2	46.0	99.6%	60.1	99.8%	-23.5%
GHG Intensity (TCO <sub>2</sub> e / €m Revenue)	Scope 1 & 2	157.7	99.6%	157.2	99.8%	0.3%
Weighted Average Carbon Intensity (TCO <sub>2</sub> e / \$m Revenue)	Scope 1 & 2	191.2	99.6%	126.9	99.8%	50.6%
Female Board Representation (%)		29.7%	99.6%	33.1%	99.9%	-9.8%

<sup>7</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI ACWI Net TR Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €268.2 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>8</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Marvell Technology	Technology	6.4%	United States
Wolfspeed	Technology	5.9%	United States
ON Semiconductor	Technology	5.5%	United States
Linde	Materials	4.6%	United States
Renesas Electronics	Technology Hardware & Equipment	4.4%	Japan
Lattice Semiconductor	Technology	3.9%	United States
Hydro One	Utilities	3.8%	Canada
Vertiv Holdings	Industrial	3.5%	United States
Boralex	Utilities	3.5%	Canada
Silergy	Technology	3.3%	Cayman Islands
Autodesk	Technology	3.2%	United States
Azbil	Industrial	3.0%	Japan
Lennox International	Industrials	2.9%	United States
MP Materials	Basic Materials	2.9%	United States
Analog Devices	Technology Hardware & Equipment	2.7%	United States



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.

The Fund invests primarily in companies worldwide that support, through their technology solutions and services, the decarbonization and thereby electrification of the global energy sector.

All investments held by the Fund in equity participations were used to meet the Fund's sustainable investment objective.

During the reference period, the Fund averaged 99.0%<sup>9</sup> in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Sustainable', 'Environmental' etc.)*

<sup>9</sup> This is the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Smart Energy Fund continued

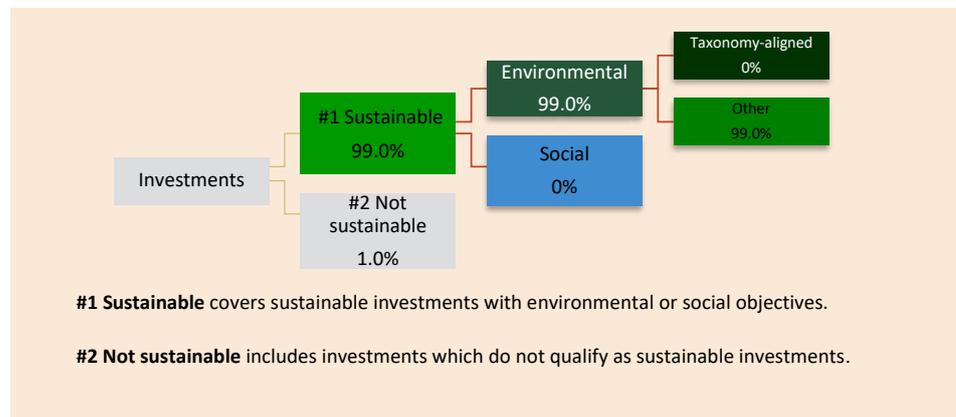
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



### In which economic sectors were the investments made?

Economic Sector	% Assets <sup>10</sup>
Technology	34.5%
Industrial	17.8%
Technology Hardware & Equipment	13.0%
Materials	9.6%
Utilities	7.2%
Basic Materials	6.3%
Energy	4.0%
Industrials	3.7%
Communications	1.6%
Consumer, Cyclical	1.2%
Consumer Discretionary	1.0%

In accordance with the Fund’s exclusion criteria, investments in fossil fuel exploration and production companies, as well as in utilities with thermal fossil power generation, are prohibited and, therefore, the Fund did not have any exposure to fossil fuels over the review period.



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

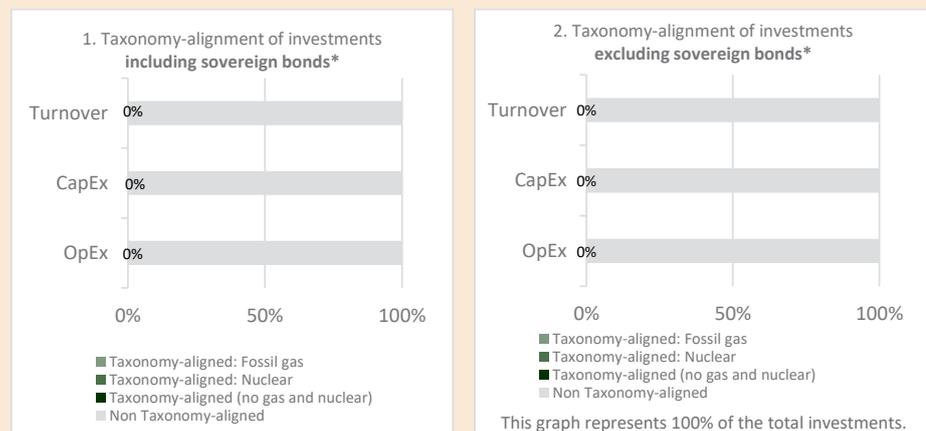
The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, was 0% over the reference period.

<sup>10</sup> This shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>11</sup>?**

- Yes:  
 In fossil gas     In nuclear energy  
 No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the EU Taxonomy Regulation, was 0% over the reference period.

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Energy Fund continued

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

During the previous reference period, the Fund was 0% aligned with the EU Taxonomy Regulation and during this reference period the Fund was 0% aligned with the EU Taxonomy Regulation.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

During the reference period, the Fund averaged 99.0% in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives not aligned with the EU Taxonomy Regulation.

In order to satisfy itself that an investment is environmentally sustainable pursuant to the EU Taxonomy Regulation, the Investment Manager must (a) be satisfied that the investments underlying the Fund are in environmentally sustainable activities (b) identify the extent to which the investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the EU Taxonomy Regulation; (c) identify the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable activities which are aligned with the EU Taxonomy Regulation; and (d) identify the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities (as described in the EU Taxonomy Regulation).

At the present time, the Investment Manager cannot satisfy itself that the Fund's investments meet the criteria outlined above. Accordingly, the proportion of investments of the Fund in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the EU Taxonomy Regulation is 0% of the Fund's net assets.



**What was the share of socially sustainable investments?**

The Fund will be invested in Sustainable Investments contributing to environmental objectives only. Therefore, the Fund's share of socially sustainable investments was 0% over the reference period.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

The Fund's investments identified as #2 Not Sustainable averaged 1.0% over the review period and consisted of cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these investments.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

Over the reference period, the Investment Manager maintained the Fund's eligible investment universe across four investment themes; (i) Clean Power Generation; (ii)



Energy Conversion and Storage; (iii) Energy Efficiency; and (iv) Energy Transmission and Distribution. The alignment of a company with the four investment clusters was determined by its current or future revenue exposure to these themes.

The Fund only invested in companies within the eligible investment universe and, therefore, all the companies in the portfolio passed the necessary minimum thematic threshold and did not breach the SFDR's principles of 'do no significant harm' and 'good corporate governance'.

The eligible investment universe maintained by the Investment Manager serves as a reference portfolio to the Fund, both in terms of financial performance and in terms of contribution to the sustainable investment objective. The Investment Manager reviewed the companies that qualify for the eligible investment universe on a periodic basis during the reference period and companies that were not aligned with the Fund's sustainable investment objective, by virtue of not meeting the prescribed current or future revenue exposure threshold, not passing the DNSH assessment (including with reference to PAI indicators) or not having good governance practices, were excluded from the eligible investment universe. Further companies that participated in activities linked to the Fund's exclusion criteria were excluded from the eligible investment universe.

Similarly, additional new companies that met the previously mentioned criteria were added to the eligible investment universe. An example is the addition of Thyssenkrupp Nucera ('Nucera'), a green hydrogen electrolysis technology company, to the universe and the Fund during the review period.

The company enables its customers to transform into a net zero and carbon free industry by converting renewable power into green hydrogen. Nucera's alkaline electrolyser technology transforms renewable energy and water into green hydrogen, replacing conventional carbon-intensive grey hydrogen used in fertilizer production, refineries and semiconductor production. Furthermore, green hydrogen helps to decarbonize the transportation sector (long-haul heavy-duty trucks, trains, shipping, sustainable aviation fuel) as well as industries such as steel and cement manufacturing. We expect that green hydrogen will play a major role in the seasonal storage of renewable energy. Therefore, the company enables the decarbonization and electrification of the global energy sector, attaining the sustainable investment objective. The company is allocated to the Energy Transmission and Distribution investment theme.

The Investment Manager did engage with an investee company involved in the production of rare earth products in 2022 where it felt that there was room for material sustainability improvement in addressing the environmental and social impacts of its activities over the reference period. This engagement is still ongoing. The Investment Manager's approach is dedicated and focused engagement to discuss material ESG issues that are relevant to the specific business case. The Investment Manager generally conducts 1-3 year direct engagement dialogues with selected companies where it deems necessary. The Investment Manager did not carry out any new engagement activity in 2023.

The Investment Manager also excluded X-Fab, a foundry for analogue semiconductor applications, during the reference period due to a PAI flag on good corporate governance with votes against a director. The Investment Manager reviewed various reports and



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Energy Fund continued

conducted its own assessment. The Investment Manager decided to exclude the company from its investable universe as it was unclear regarding the qualification of the director to be on the board. The Fund was not invested in either company.



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

#### **How did this financial product perform compared to the reference sustainable benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did the reference benchmark differ from a broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the reference benchmark?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- ***How did this financial product perform compared with the broad market index?***

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

## Smart Mobility Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc - Smart Mobility Fund (the "Fund")

**Legal entity identifier:** 549300006PO1N5TPN874

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 98.9%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

The Fund has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The Fund achieved its sustainable investment objective by investing in a portfolio of companies worldwide that support, through their technology solutions and services, the decarbonisation and transformation of the global transport sector.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Mobility Fund continued

#### ● How did the sustainability indicators perform?

The Investment Manager measured the Fund's alignment with its sustainable investment objective on a qualitative and quantitative basis by:

1. The alignment of the Fund's investments with the Fund's eligible investment universe, as described in the 'Investment Strategy' section of the Fund's SFDR prospectus annex and website disclosures, which only includes companies that derive a significant portion of their current or future revenue from activities that are in line with the Fund's objective.
2. The alignment of the Fund's investments with the Investment Manager's exclusions list for the Fund, as set out in the 'Investment Strategy' section of the Fund's SFDR prospectus annex and website disclosures.

During the reference period of this annual report, the Investment Manager's eligible investment universe comprised four main themes. A breakdown of the Fund weightings to the four themes over the reference period is given below.

*Fund Exposures to each of the four themes over the reference period<sup>1</sup>:*

Investment Area	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average 2023 <sup>2</sup>
Autonomous Driving	23.9%	20.9%	15.0%	25.0%	21.2%
EV Manufacturing	14.4%	15.0%	20.0%	22.3%	18.0%
EV Technologies	34.8%	36.5%	32.4%	31.9%	33.9%
Mobility Infrastructure	26.3%	27.8%	29.3%	20.2%	25.9%
Cash	0.5%	-0.2%	3.3%	0.6%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

*The Fund's weighted average current or future revenue alignment to the four themes over the reference period<sup>3</sup>:*

Investment Area	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average 2023 <sup>4</sup>
Autonomous Driving	30.0%	29.2%	28.2%	29.8%	29.3%
EV Manufacturing	50.2%	47.2%	44.4%	38.8%	45.2%
EV Technologies	40.7%	45.8%	51.9%	50.3%	47.2%
Mobility Infrastructure	52.1%	51.0%	49.0%	40.7%	48.2%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Weighted Average</b>	<b>42.3%</b>	<b>44.1%</b>	<b>44.3%</b>	<b>40.4%</b>	<b>42.8%</b>

<sup>1</sup> The table shows the percentage of the Fund's investments, on a portfolio weighted basis, aligned with investment areas contributing to the Fund's sustainable investment objective as at the relevant date.

<sup>2</sup> The figures show the average alignment of the Fund with each investment area during the reference period. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at the end of each quarter (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>3</sup> The table shows the average alignment of the current or future revenues of the investee companies within each investment area (please see Figure 1 for details of the percentage of the Fund aligned with the relevant investment areas) as at the relevant date.

<sup>4</sup> The average is calculated as a simple average of the quarterly portfolio weighted averages as at the end of each quarter (i.e. 31 March, 30 June, 30 September and 31 December).



During the reference period, the Fund did not invest in any companies that were not aligned with the Fund's sustainable investment objective by virtue of not meeting the prescribed current or future revenue exposure threshold. The Investment Manager became aware of one company having potential links to tobacco-related activities during the review period, and subsequently exited the position out of an abundance of caution. The Investment Manager did not otherwise invest in companies that participated in activities linked to the Fund's exclusions criteria.

All of the Fund's equity investments during the reference period contributed to the sustainable investment objective through their exposure to one or more of the sub-themes set out above.

During the reference period, the Fund averaged 98.9%<sup>5</sup> in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives.

The Fund did not use derivatives to attain its sustainable investment objective over the reference period.

● *...and compared to previous periods?*

Investment Area	Portfolio Average Weight 2021	Revenue Exposure 2021 <sup>6</sup>	Portfolio Average Weight 2022	Average Revenue Exposure 2022	Portfolio Average Weight 2023	Average Revenue Exposure 2023
Autonomous Driving	14.1%	31.9%	21.5%	30.5%	21.2%	29.3%
EV Manufacturing	20.5%	52.4%	18.7%	55.8%	18.0%	45.2%
EV Technologies	40.7%	41.8%	36.3%	43.4%	33.9%	47.2%
Mobility Infrastructure	24.2%	57.1%	23.2%	52.0%	25.9%	48.2%
Cash	0.5%	0.0%	0.3%	0.0%	1.1%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>46.1%</b>	<b>100.0%</b>	<b>45.6%</b>	<b>100.0%</b>	<b>42.8%</b>

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

<sup>5</sup> The figure shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

<sup>6</sup> Please note that the Fund launched on 30 September 2021. The Fund's 2021 thematic alignment and revenue alignment figures are therefore provided as at 31 December 2021 and do not represent a quarterly average as do the Fund's 2022 thematic alignment and revenue alignment figures.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Mobility Fund continued

#### ● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Investment Manager, in compliance with the principle of Do No Significant Harm (“DNSH”), assessed each company, primarily using third party data, on whether it had an adverse impact on the environment and society.

Companies with controversies that had severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager and were, therefore, excluded from the Fund.

The Investment Manager used research from third party providers to provide deeper insights into a company’s compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over the assessment of whether a company was involved in a severe controversy over the review period.

#### — ***How were the indicators for adverse impacts on sustainability factors taken into account?***

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts (“PAI”) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of the Annex 1 Level 2 Regulatory Technical Standards.

Over the reference period, the Investment Manager carried out a screening process during the construction of its eligible investment universe to exclude any companies that significantly harm environmental or social objectives due to their involvement in a range of controversial business activities. The Investment Manager used external ESG data providers as an initial input for the screen. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager, to the best of its ability, used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator, to assess harm caused by the company, and assessed the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

As an example, Linde Plc, a leading industrial gas producer that operates in a high impact sector relating to carbon emissions and energy use, was flagged for further investigation due to its high carbon emissions and energy usage. After assessing its sustainability performance relating to carbon emissions and energy use, the Investment Manager decided to keep the company in the universe and the Fund. Industrial gases have a key role in decarbonising industries. Linde provides solutions, such as green or low carbon hydrogen, that are used in refineries, fertilizers production, steel manufacturing and mobility applications, as well as providing carbon capture of carbon dioxide streams from gasifiers and hydrogen

plants. Its products and solutions have enabled avoidance of >2x GHG emissions emitted in its own operations. Linde Plc has set SBTi targets, committed to reduce Scope 1 and 2 GHG emissions by 35% by 2035, compared to its 2021 emissions baseline, and has a roadmap to climate neutrality by 2050. Its absolute emissions and carbon intensity trends are also stable. The company targets, which include both absolute GHG reduction and intensity, are laid out in its decarbonisation pathway.

Further to this, the company's energy use intensity trend has been stable and is in line with its industry peers. Its reduction commitments include increasing renewable energy by 3x, developing a zero-emissions vehicle fleet by 2050 using hydrogen fuel cell and EVs, switching from sourcing raw materials via fossil fuels to emissions-neutral sources such as synthetic fuels and using carbon capture and green hydrogen solutions. It has also laid out its long-term energy reduction roadmap.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducting further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have been involved in severe violations of the UNGC principles and OECD Guidelines, using third party controversy research related to these global norms.



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### How did this financial product consider principal adverse impacts on sustainability factors?

As part of its do no significant harm assessment ("DNSH") with respect to sustainable investments, the Investment Manager considered the mandatory Principal Adverse Impacts (PAI) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 of the Regulatory Technical Standards.

Where material, the Investment Manager considered the following principal adverse impacts of a company on the environment and society in the manner described below.

Unless subject to an exclusion, either as a result of the application of the exclusions policy or as a result of the principle adverse impact indicating that the company causes significant harm to a sustainable investment objective, the Investment Manager sought to improve material adverse impacts of investee companies through active ownership activities such as engagement, voting or if necessary, divestment from the company within a reasonable timeframe, taking into consideration the best interests of the Fund and its Shareholders.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Mobility Fund continued

Factors considered when assessing a company's impact on the environment included greenhouse ("GHG") emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and/or production profile and carbon reduction initiatives. Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. In accordance with the Fund's exclusion criteria, companies involved in the exploration, production and distribution of oil, natural gas, coal, and the first generation of biofuels (derived from food crops) are excluded. Furthermore, utilities with fossil fuel or nuclear power generation, as well as natural gas transmission and distribution utilities are also excluded.

Similarly, the Investment Manager considered biodiversity impact, water use and hazardous waste generated by a company, where deemed material.

The Investment Manager considered the board gender diversity and, where possible, gender pay gap of investee companies.

The Investment Manager considered the standards of the United Nations Global Compact (UNGC), and the Organisation for Economic Co-Operation and Development's (OECD) Guidelines for Multinational Enterprises. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company. During the reference period, no investee companies were deemed to be in violation of the standards of the United Nations Global Compact, and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance in relation to selected PAI indicators compared to the Fund's benchmark.



Indicator <sup>7</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>8</sup>
GHG Emissions (TCO2e)	Scope 1	195.9	99.4%	446.6	99.8%	-56.1%
	Scope 2	236.4	99.4%	101.7	99.8%	132.5%
	Scope 1 & 2	432.4	99.4%	548.3	99.8%	-21.1%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	47.7	99.4%	60.1	99.8%	-20.7%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	99.0	99.4%	157.2	99.8%	-37.0%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	185.1	99.4%	126.9	99.8%	45.8%
Female Board Representation (%)		28.7%	99.4%	33.1%	99.9%	-12.9%



### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
u-blox	Technology	5.8%	Switzerland
NXP Semiconductors	Technology Hardware & Equipment	4.8%	People's Republic of
Wolfspeed	Technology	4.4%	United States
Renesas Electronics	Technology Hardware & Equipment	4.3%	Japan
ON Semiconductor	Technology	4.3%	United States
Aptiv	Automobiles & Parts	3.6%	Jersey
Trimble	Industrial	3.5%	United States
Dassault Systemes	Technology	3.4%	France
ABB	Industrial	3.3%	Switzerland
Linde	Materials	3.3%	United States
MP Materials	Materials	3.3%	United States
Ansys Inc	Technology	3.3%	United States
Hyundai Mobis	Automobiles & Parts	3.1%	Republic of South
Uber	Communications	3.1%	United States
Mando	Automobiles & Parts	3.1%	Republic of South

<sup>7</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI ACWI Net TR Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €9.1 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>8</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Mobility Fund continued



**Asset allocation** describes the share of investments in specific assets.

#### What was the proportion of sustainability-related investments?

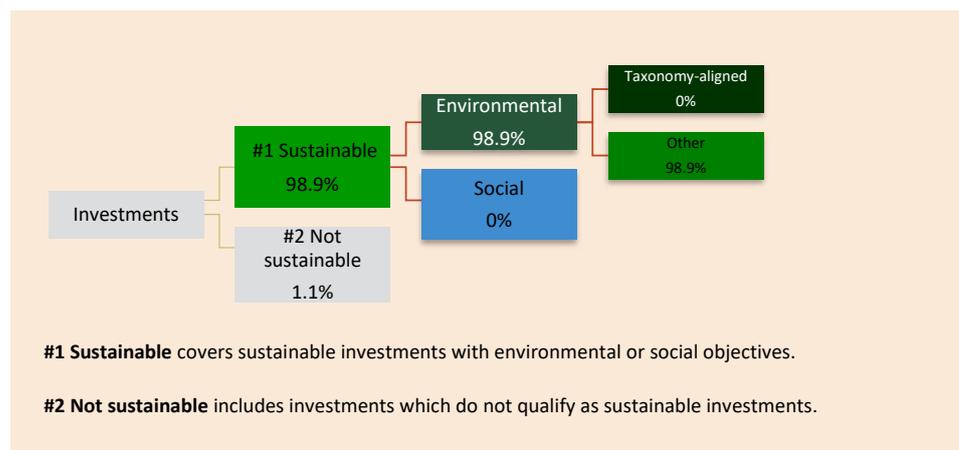
##### ● What was the asset allocation?

The Fund invests primarily in companies worldwide that support, through their technology solutions and services, the decarbonization and thereby electrification of the global energy sector.

All investments held by the Fund in equity participations were used to meet the Fund’s sustainable investment objective.

During the reference period, the Fund averaged 98.9%<sup>9</sup> in Sustainable Investments that met the Fund’s sustainable investment objective, of which 100% contributed to environmental objectives.

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. ‘#1 Sustainable’, ‘Environmental’ etc.)*



<sup>9</sup> This is the percentage of the Fund’s assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

● **In which economic sectors were the investments made?**

Economic Sector	% Assets <sup>10</sup>
Technology	25.4%
Technology Hardware & Equipment	16.6%
Materials	14.7%
Consumer Discretionary	10.2%
Industrial	10.0%
Automobiles & Parts	9.8%
Communications	4.6%
Energy	3.2%
Basic Materials	2.1%
Electronic & Electrical Equipment	1.7%
Consumer, Cyclical	1.3%
Leisure Goods	0.5%

In accordance with the Fund's exclusion criteria, investments in fossil fuel exploration and production companies, as well as in utilities with thermal fossil power generation, are prohibited and, therefore, the Fund did not have any exposure to fossil fuels over the review period.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



● **To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, was 0% over the reference period.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>11</sup>?**

- Yes:
- In fossil gas     In nuclear energy
- No

<sup>10</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

# Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

## Smart Mobility Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

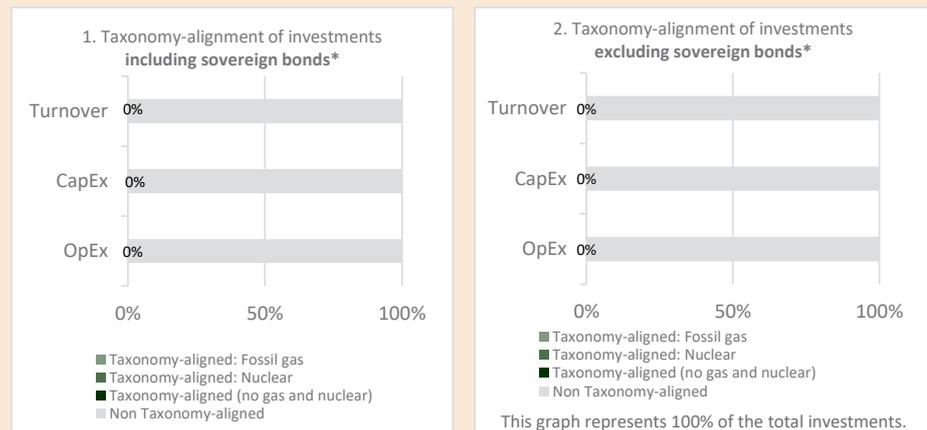
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What was the share of investments made in transitional and enabling activities?

The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, was 0% over the reference period.

### ● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

During the previous reference period, the Fund was 0% aligned with the EU Taxonomy Regulation and during this reference period the Fund was 0% aligned with the EU Taxonomy Regulation.



### ● What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

During the reference period, the Fund averaged 98.9% in Sustainable Investments that met the sustainable investment objective, of which 100% contributed to environmental objectives not aligned with the EU Taxonomy Regulation.

In order to satisfy itself that an investment is environmentally sustainable pursuant to the EU Taxonomy Regulation, the Investment Manager must (a) be satisfied that the investments underlying the Fund are in environmentally sustainable activities (b) identify the extent to which the investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the EU Taxonomy Regulation; (c) identify the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable activities which are aligned with the EU Taxonomy

Regulation; and (d) identify the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities (as described in the EU Taxonomy Regulation).

At the present time, the Investment Manager cannot satisfy itself that the Fund's investments meet the criteria outlined above. Accordingly, the proportion of investments of the Fund in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the EU Taxonomy Regulation is 0% of the Fund's net assets.



### **What was the share of socially sustainable investments?**

The Fund will be invested in Sustainable Investments contributing to environmental objectives only. Therefore, the Fund's share of socially sustainable investments was 0% over the reference period.



### **What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

The Fund's investments identified as #2 Not Sustainable averaged 1.1% over the review period and consisted of cash held for liquidity purposes. There are no minimum environmental or social safeguards applicable to these investments.



### **What actions have been taken to attain the sustainable investment objective during the reference period?**

Over the reference period, the Investment Manager maintained the Fund's eligible investment universe across four investment clusters: (i) Autonomous Driving; (ii) EV Manufacturing; (iii) EV Technologies; and (iv) Mobility Infrastructure. The alignment of a company with the four investment clusters was determined by its current or future revenue exposure to these clusters.

The Fund only invested in companies within the eligible investment universe and, therefore, all the companies in the portfolio passed the necessary minimum thematic threshold and did not breach the SFDR's principles of 'do no significant harm' and 'good corporate governance'.

The eligible investment universe maintained by the Investment Manager serves as a reference portfolio to the Fund, both in terms of financial performance and in terms of contribution to the sustainable investment objective. The Investment Manager reviewed the companies that qualify for the eligible investment universe on a periodic basis during the reference period and companies that were not aligned with the Fund's sustainable investment objective, by virtue of not meeting the prescribed current or future revenue exposure threshold, not passing the DNSH assessment (including with reference to PAI indicators) or not having good governance practices, were excluded from the eligible investment universe. Further companies that participated in activities linked to the Fund's exclusion criteria were excluded from the eligible investment universe.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### Smart Mobility Fund continued

Similarly, additional new companies that met the previously mentioned criteria were added to the eligible investment universe. An example is the addition of Thyssenkrupp Nucera, a green hydrogen electrolysis technology company, to the universe and the Fund during Q3 2023. The company enables its customers to transform into a net-zero and carbon-free society by converting renewable power into green hydrogen. Nucera's alkaline electrolyser technology transforms renewable energy and water into green hydrogen, replacing conventional carbon-intensive grey hydrogen that helps to decarbonize the transportation sector (long-haul heavy-duty trucks, trains, shipping, sustainable aviation fuel). Therefore, the company enables the decarbonisation and transformation of the global transport industry, attaining the sustainable investment objective. The company is allocated to the Green Hydrogen and Sustainable Fuel investment sub-cluster that forms part of the Mobility Infrastructure investment cluster.

The Investment Manager did engage with an investee company involved in the production of rare earth products in 2022 where it felt that there was room for material sustainability improvement in addressing the environmental and social impacts of its activities over the reference period this engagement is still ongoing. The Investment Manager's approach is dedicated and focused engagement to discuss material ESG issues that are relevant to the specific business case. The Investment Manager generally conducts 1-3 year direct engagement dialogues with selected companies where necessary. The Investment Manager did not carry out any new engagement activity in 2023.



#### How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.



## UK Value Opportunities Fund

### Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polar Capital Funds plc – UK Value Opportunities Fund (the “Fund”)

**Legal entity identifier:** 549300MWI6XYCECN5P80

## Environmental and/or social characteristics

#### Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

#### Did this financial product have a sustainable investment objective?

●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



#### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics through the application of its investment strategy. Using the Investment Manager’s proprietary ESG analysis tool - the economic value-added sustainability scoring framework (“EVA SS Framework”) – the Fund seeks to take higher conviction positions in companies with positive scores against six categories: Carbon Emissions, Corporate Short Termism, Company Efficiency, Exposure to relevant ESG Regulation, Consumer Demand and Thematic Trends.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

#### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued

#### ● **How did the sustainability indicators perform?**

The Fund used the EVA SS Framework to measure the attainment of the Fund's ESG characteristics against the six categories described.

The Fund saw a decline in the average overall EVA Sustainability Score from 7.8 to 7.5 from December 2022 to December 2023. This was driven by compositional change and more onerous requirements within certain categories, partially offset by underlying improvements.

Two of the six categories saw improvements throughout the year with the Customer Demand score moving from 3.6 to 3.7 and the Thematic Trend score moving from 4.8 to 5.0 from between December 2022 and December 2023. A third category, Corporate Short Termism, was flat over the year.

The Exposure to relevant ESG Regulation score has declined by 0.4 over the year from 5.7 to 5.3, between December 2022 and December 2023. This was driven by a tightening regulatory outlook across a number of sectors, offset in part by the sale of generally lower scoring stocks over the year. Broadly speaking, mining and oil shares received lower Exposure to relevant ESG Regulation Scores owing to an elevated chance of super taxes. Banks similarly faced a tougher regulatory backdrop with respect to deposit pricing. Housebuilders and related companies have also been threatened with additional levies.

The Company Efficiency score declined by 0.7 between December 2022 and December 2023. This was driven by a combination of exiting some high scoring positions over the year and a tightening up of the requirements for waste, water and plastic reduction policies. As a consequence of the more onerous requirements for meeting reduction criteria, several companies' scores were lower, including Beazley, Anglo American, B&M and 3i. It should be noted that this was offset by a number of companies taking material steps forward on their Company Efficiency score, such as Marshalls, Sigma Roc, Shell and Atalya.

Focusing on the Carbon Emissions category, which attracts the largest weight in the EVA SS Framework, the score declined from 8.4 to 7.9 between December 2022 and December 2023. This was largely due to an evolution in the scoring criteria set out in more detail in comparison on previous periods section of this report below. The Carbon Emissions category has changed over the year from a score based solely on carbon reduction targets to a score that combines carbon reduction delivery and carbon targets. This is more onerous to the extent that companies that are not delivering sufficient absolute carbon reduction will receive a lower overall carbon score, all else being equal.

The percentage of investee companies signed up to a Net Zero carbon emissions commitment of some form moved from 73% to 78% between December 2022 and December 2023. The percentage of investee companies with no carbon emissions reduction targets dropped from 10% to 5%. Investee companies requiring focused engagement on the Carbon Emissions category reduced from 27% to 22% over the same period.

The Investment Manager focused on three other areas of engagement for investee companies during 2023, which were the independence of the remuneration committee and audit committee (falling within the Corporate Short Termism category), board gender diversity (also falling within the Corporate Short Termism category) and waste reduction (falling within the Company Efficiency category).

The percentage of investee companies without fully independent remuneration and audit committees fell from 2% to zero during the review period, while the percentage of investee companies with less than 33% women on the board fell from 31% to 14% and investee companies without waste reduction targets fell from 37% to 31%.

	Quarterly EVA Sustainability Scores <sup>1</sup>				2023 EVA Sustainability Score Average <sup>2</sup>
	Mar-23	Jun-23	Sep-23	Dec-23	
<b>Carbon Score</b>	8.2	8.1	8.2	7.9	8.1
<b>Short Termism Score</b>	9.5	9.5	9.4	9.5	9.5
<b>Company Efficiency Score</b>	7.2	7.0	6.6	6.7	6.9
<b>ESG Regulation Score</b>	5.6	5.4	5.4	5.3	5.4
<b>Customer Demand Score</b>	3.6	3.4	3.3	3.7	3.5
<b>Thematic Trends Score</b>	5.1	5.1	5.0	5.0	5.1
<b>Overall Score</b>	<b>7.7</b>	<b>7.6</b>	<b>7.6</b>	<b>7.5</b>	<b>7.6</b>

### ...and compared to previous periods?

The Carbon Emissions category has changed over the year from a score based solely on carbon reduction targets to a score that combines carbon reduction delivery and carbon targets. Carbon reduction delivery is measured as absolute reduction over the last 3 years, focussing on Scope 1 and 2. The delivery score can be one of three levels, worsening, improving or on track. This delivery score is attributed a 30% weight and combined with the original carbon target score, which is now given a 70% weight. The shift to focus on delivery reflects the urgent need to make tangible progress against targets. Sufficient time has passed since the inception of ESG targets that operational improvements should be becoming apparent.

<sup>1</sup> This figure shows the portfolio weighted average score of the Fund, excluding cash, across each of the six categories of the EVA SS Framework at the end of each quarter. The Overall Score (EVA Sustainability Score) is the sum of the Fund's scores against each category which have been weighted in accordance with the EVA SS Framework.

<sup>2</sup> These figures show the simple average of the Fund's quarterly EVA Sustainability Scores across each of the six categories. The Overall Score (EVA Sustainability Score) is the sum of the Fund's 2023 scores against each category which have been weighted in accordance with the EVA SS Framework.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Within the Company Efficiency category, the requirements for waste, water and plastic reduction policies have been tightened up and more tangible evidence of reduction policies are required to score highly in this area.

2022 EVA Sustainability Score Average <sup>3</sup>	
Carbon Score	8.1
Short Termism Score	9.4
Company Efficiency Score	7.3
ESG Regulation Score	5.7
Customer Demand Score	3.8
Thematic Trends Score	4.8
Overall Score	7.6

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

<sup>3</sup> These figures show the simple average of the Fund’s quarterly EVA Sustainability Scores across each of the six categories. The Overall Score (EVA Sustainability Score) is the sum of the Fund’s 2022 scores against each category which have been weighted in accordance with the EVA SS Framework. The Fund was approved by the Central Bank of Ireland as an Article 8 SFDR Fund on 11 April 2022 and therefore the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **How did this financial product consider principal adverse impacts on sustainability factors<sup>4</sup>?**

When assessing a company’s impact on the environment, the Investment Manager considered greenhouse gas (“GHG”) emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity and carbon reduction initiatives.

Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager. The Investment Manager automatically excludes thermal coal producers. Further to this, where material revenues were flagged within the oil and gas sector, the Investment Manager assessed the company’s carbon reduction policies or targets related to achieving net zero.

Focusing on the Carbon Emissions category, which attracts the largest weight in the EVA SS Framework, the percentage of investee companies within the Fund that are signed up to a Net Zero carbon emissions commitment of some form, moved from 73% to 78% between December 2022 and December 2023.

The percentage of investee companies with no carbon emissions reduction targets dropped from 10% to 5%. Investee companies requiring focused engagement on the Carbon Emissions category reduced from 27% to 22% over the same period.

The EVA Sustainability Score impacts: (i) stock selection; (ii) position sizing; and (iii) engagement and so the GHG emissions were considered over the reference period in the following ways:

- (i) With respect to stock selection, one company was exited in the year as a consequence of its performance on the Carbon Emissions category of the EVA SS Framework. In short, the investee company had no intention of introducing Carbon Emissions reduction targets on any time frame. Following several engagements, it was clear that this stance would not change.

<sup>4</sup> Please note engagement examples may have begun before the formal adoption of consideration of principal adverse impacts of sustainability factors.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued

BP came off the exclusion list and, later in the year, into the Fund as a consequence of further analysis of its carbon emissions reduction targets. Examples of shares that were on the watchlist but failed the Investment Manager's Carbon Emissions category requirement and were, therefore, excluded from the Fund include BHP, Drax, Lancashire and Ithaca.

- (ii) With respect to position sizing, no shares were promoted or demoted on the basis of their performance in the Carbon Emissions category during the review period.
- (iii) With respect to engagement, the Investment Manager engaged 19 times with companies on their carbon targets and delivery. Nine of these were high priority engagements involving companies with no Net Zero Targets. Much of the Investment Manager's engagement on ESG matters in 2022 came into fruition in 2023. The Investment Manager made 30 engagements on carbon emissions in 2022, of which 7 were high priority involving companies with no carbon emissions reduction targets. 2 of these engagements have subsequently been resolved, 2 have been sold on non-ESG investment grounds, 1 detailed above has been sold due to its stance on carbon, and 2 remain outstanding.

Similarly, where water management was deemed material to an investee company by the Investment Manager, the Investment Manager encouraged the adoption of appropriate water management and water reduction policies.

The Investment Manager engaged with 21 investee companies in 2023 on their water management policies, encouraging the adoption of formal water usage reduction targets, and the percentage of investee companies with water usage reduction targets increased from 49% in December 2022 to 52% in December 2023.

The Investment Manager considered the board gender diversity of investee companies, and, where it deemed appropriate, used its tools of active ownership to encourage better diversity practices. The Investment Manager engaged with 7 investee companies on female board diversity in 2023, of which 5 did not have at least 33% female board representation. Much of the Investment Manager's engagement in 2022 came into fruition in 2023, as the Investment Manager made 20 engagements on gender diversity in 2022, of which 17 were high priority involving companies with less than 33% female representation on the board. 6 of these engagements have subsequently met the required level, including JD Sports, Gamma, Henry Boot, Premier Foods, Redrow and Standard Chartered. Of the remaining high priority shares, a number have been sold and the others have all without exception made progress towards the target.

The percentage of investee companies with at least 33% of women on the board rose from 69% to 85% from December 2022 to December 2023.

The Investment Manager also took into account as part of its process the standards of the United Nations Global Compact and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises. If a company was involved in severe controversies or norms violations, the Investment Manager assessed the severity of the incident to decide the appropriate action to take: whether to monitor, enter



enhanced engagement, or divest from the company. No companies were involved in severe norms violations over the reference period so no action was taken.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance of selected PAI indicators compared to the Fund's benchmark.

Indicator <sup>5</sup>		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative % <sup>6</sup>
GHG Emissions (TCO2e)	Scope 1	86,267.7	95.3%	55,441.3	93.6%	55.6%
	Scope 2	16,076.5	95.3%	12,314.4	93.6%	30.6%
	Scope 1 & 2	102,344.2	95.3%	67,755.6	93.6%	51.0%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	117.2	95.3%	75.9	93.6%	54.4%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	124.3	95.3%	129.3	93.6%	-3.9%
Weighted Average Carbon Intensity (TCO2e / \$m Revenue)	Scope 1 & 2	144.0	95.3%	85.6	93.6%	68.3%
Female Board Representation (%)		38.7%	93.7%	42.7%	93.4%	-9.4%

<sup>5</sup> Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: FTSE All-Share Total Return Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €892.5 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

<sup>6</sup> The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued



#### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 31 December 2023

Largest investments	Sector	% Assets	Country
Premier Foods	Consumer, Non-cyclical	2.9%	United Kingdom
GSK	Health Care	2.9%	United States
Marks & Spencer	Consumer, Non-cyclical	2.8%	United Kingdom
Gamma Communications	Communications	2.7%	United Kingdom
3i	Financials	2.7%	United Kingdom
Renew	Industrial	2.6%	United Kingdom
Dunelm	Consumer, Cyclical	2.6%	United Kingdom
Morgan Sindall	Industrial	2.5%	United Kingdom
SigmaRoc	Basic Materials	2.5%	United Kingdom
J Sainsbury	Consumer, Cyclical	2.5%	United Kingdom
Inchcape	Consumer, Cyclical	2.2%	United Kingdom
Morgan Advanced Materials	Industrial	2.2%	United Kingdom
Rio Tinto	Basic Materials	2.1%	Australia
Rathbone Brothers	Financials	2.1%	United Kingdom
Beazley	Financials	2.1%	United Kingdom



#### What was the proportion of sustainability-related investments?

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

##### ● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

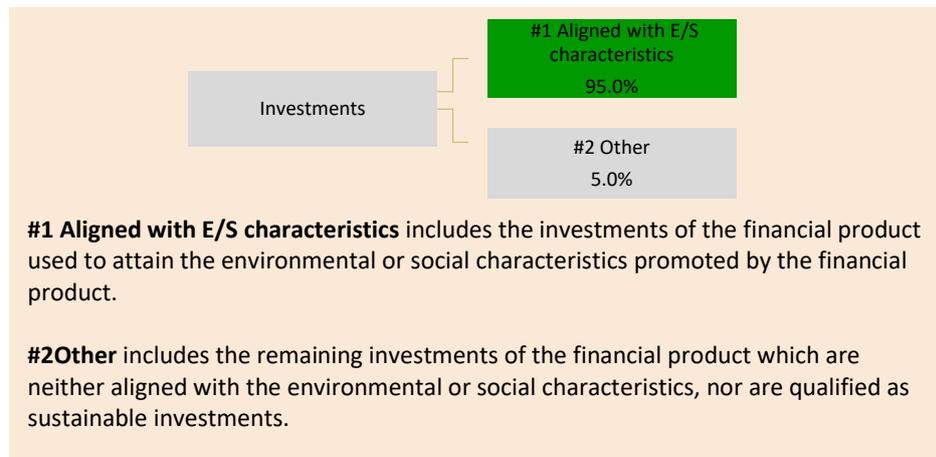
The Fund invested primarily in a diversified portfolio of UK listed companies. The Investment Manager used the EVA SS Framework to assess the environmental and/or social characteristics of each investee company.

100% of the companies the Fund invested in were assessed under the Investment Manager's EVA SS Framework, which was used to assess and deliver the environmental or social characteristics promoted by the Fund.

During the reference period, an average of 95.0% of investments of the Fund were used to meet the environmental and social characteristics promoted by the Fund.<sup>7</sup>

*Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics' etc.)*

<sup>7</sup>The figure shows the average percentage of the Fund's assets, including cash, on a portfolio weighted basis, aligned with the Fund's characteristics as a result of passing the minimum criteria for investment set out in the EVA SS Framework. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



● **In which economic sectors were the investments made?**

Economic Sectors	% Assets <sup>8</sup>
Financial	21.9%
Consumer, Non-cyclical	16.8%
Consumer, Cyclical	14.0%
Industrial	12.9%
Basic Materials	12.0%
Consumer Discretionary	5.2%
Energy	4.7%
Materials	3.6%
Health Care	2.9%
Communications	2.7%
Real Estate	1.8%
Technology	1.5%

Tobacco and thermal coal producers were automatically excluded from the Fund. The Investment Manager did not automatically exclude oil producers where the company had made a credible commitment to align with the Paris Agreement and had initiated the transition away from oil production. During the reference period, the Fund held the following companies that had exposure to fossil fuel related activities:

Shell: In 2021, Shell did not pass the minimum exclusion score in the Carbon Emissions category as a result of deriving less than 50% of its revenue to natural gas and a lack of a credible Net Zero carbon emissions transition plan. In 2022, the company shifted to passing the minimum carbon score by virtue of having over 50% of its revenue derived from natural gas, with a target of over 50% natural gas production in 2024. The company has made material improvements to its Net Zero plan, including the introduction of interim carbon emissions reduction targets: 50% absolute reduction in Scope 1& 2 carbon emissions by 2030.

<sup>8</sup> This shows the percentage of the Fund's assets within each economic sector as at 31 December 2023.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

BP: In January 2022, BP did not pass the minimum exclusion score in the Carbon Emissions category due to a lack of a credible Net Zero carbon emissions transition plan. By January 2023, the company has made material improvements to its Net Zero plan, including the introduction of interim carbon emissions reduction targets: 20% absolute reduction in Scope 1 & 2 & 3 carbon emissions by 2025 and 50% Scope 1 & 2 by 2030 and a 20-30% reduction in Scope 3 by 2030. The company also upped its commitment to renewables including a commitment to having 15-20% in Net Zero sales by 2030.

Serica: Serica is an investee company with the majority of its revenues derived from natural gas and with carbon reduction plans in place. Serica has made meaningful progress on its carbon emission reductions plan with the introduction of a formal Net Zero target and more rigorous interim carbon reduction targets. It is targeting 10% reduction in emissions by 2025, a 25% reduction by 2027, a 50% reduction by 2030 and Net Zero by 2050.

Harbour: Harbour is a majority gas producer and therefore does pass the Fund's exclusion criteria. The company has a target of net zero Scope 1 and 2 emissions by 2035. Furthermore, they have a long-term target plan to reach net zero on Scope 3. However, this does require planning approval and government support for their carbon capture scheme.

Jadestone: The company has a stated target of net zero on scope 1 and 2 by 2040 and has initiatives to reduce Green House Gas emissions. The company currently has a large percentage of revenue from oil. However, as the company's Akatara gas project comes on line in 2024, the percentage of revenue from gas will increase materially. The company has long term ambitions to be majority gas revenue. Please note the Fund exited Jadestone in June 2023 and will no longer engage with the company on ESG matters.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>9</sup>?**

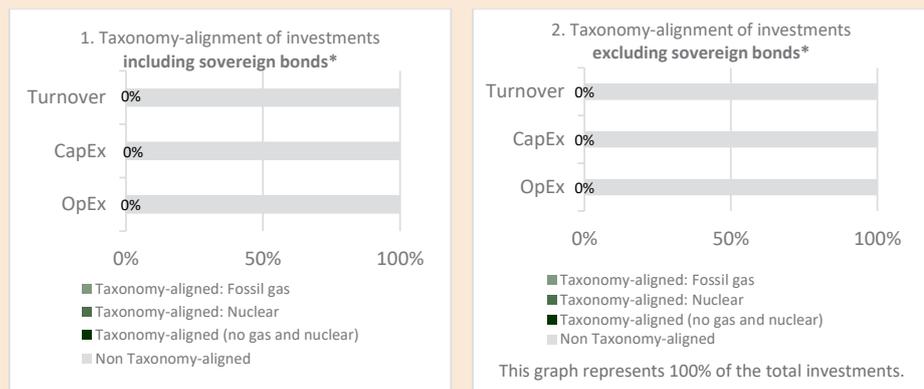
**Yes:**  
 In fossil gas       In nuclear energy

**No**

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.

<sup>9</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



#### **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Fund does not invest in environmentally sustainable activities, transitional activities or enabling activities defined as such by the EU Taxonomy Regulation.



#### **What was the share of socially sustainable investments?**

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.



#### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The Fund held an average of 5.0% of investments identified as #2 Other over the reference period <sup>10</sup>. The majority of these investments were held in cash or derivative instruments in line with the Fund’s investment policy. There were no minimum environmental or social safeguards applicable to these holdings.



#### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Fund approach is to take ESG issues into consideration through integration into the investment process. The proprietary EVA Sustainability Score integrates the risks and opportunities of ESG factors into the Investment Manager’s EVA SS framework. Each company in the portfolio was assessed and scored on their approach to six ESG topics; Carbon Emissions, Corporate Short Termism, Company Efficiency, Exposure to relevant ESG Regulation, Customer Demand and Thematic Trends.

Within the EVA SS Framework, the cost of capital is an extremely powerful force and the Investment Manager believes that carbon emissions policies will increasingly affect the cost of capital. As such, the level of carbon emissions is the single most important ESG factor attracting the highest weighting in the Investment Manager’s EVA Sustainability Score.

Further climate change risks and opportunities are captured within the other 5 factors. Waste, water and plastic reduction polices are assessed with the Company Efficiency factor. The possibility of climate related taxes, bans or quotas are assessed with the Exposure to relevant ESG Regulation factor. Environmental considerations are included within the Investment Manager’s assessment of changes in Consumer Demand. The opportunities emerging from the transition economy are captured within the Thematic Trends category.

<sup>10</sup> This figure shows the average percentage of the Fund’s assets, including cash, on a portfolio weighted basis, categorised as ‘Other’ investments. The average is calculated as a simple average of the Fund’s quarterly portfolio weighted ‘Other’ investments as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).



With respect to Carbon Emissions, companies are scored on their emissions policies. The scoring is consistent with the Investment Manager's ambition that investee companies will reach net zero emissions by 2050 or sooner.

Over the period, the EVA Sustainability Score may have impacted: (i) stock selection; (ii) position sizing; and (iii) engagement, with examples provided below:

- (i) **Stock Selection:** Numis was exited as a result of failed engagement on the Investment Manager's Carbon Emissions category. In short, the investee company had no intention of introducing carbon reduction targets. Additionally, several shares have not been bought despite appearing on our watchlist, including Lancashire and BHP, on the basis of their Carbon Emissions score and Plus 500 and Playtech were not purchased on the basis of their Corporate Short-Termism score.
- (ii) **Stock weightings:** No investee companies shifted division within the Fund between the higher conviction group to the lower conviction group, over the review period on the basis of changes in EVA Sustainability Scores and therefore no position sizes were affected.
- (iii) **Engagement:** The Investment Manager has written bespoke individual letters to investee companies this year in support of its ESG agenda on each of the six factors: Carbon Emissions Corporate, Short Termism, Company Efficiency, Exposure to relevant ESG Regulation, Customer Demand and Thematic Trends, of which Carbon Emissions received a particular focus.

Company specific feedback is given within every topic, including areas for improvement and areas of success. The Investment Manager is currently focusing on decarbonisation, board independence, female representation, executive remuneration and waste reduction. In 2023, the Investment Manager made 19 engagements on carbon, 7 on female representation, 21 on waste, 1 on board independence and 27 on other topics. The Investment Manager had notable success during the review period on board Independence with a non-independent member of the Serica board being removed from the audit committee. In addition, Shell have confirmed that they will be implementing formal waste targets. Within the "other" category, Shell has already demonstrated improvement in Health and Safety statistics, Dunelm will be introducing water targets, Beazley's Finance Director has been removed following several reporting errors and Anglo American is posting better Health and Safety statistics.

The Investment Manager's proprietary ESG tool monitors outstanding engagements with a high priority status. Meaningful change takes time to achieve and a number of key successes relate to engagements in the prior year. The Investment Manager had 2 cases of improved carbon targets following engagement, 6 cases of improved female representation following engagement and 3 cases of the improvements in waste management following engagement.



## Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

### UK Value Opportunities Fund continued



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How does the reference benchmark differ from a broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the reference benchmark?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **How did this financial product perform compared with the broad market index?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.



## Management and Administration

### Directors:

David Astor (GB)  
David Hammond (IE)  
Charles Scott (GB)  
Karen Nolan (IE) (Chairperson)\*

All directors are independent of the Investment Manager.  
All directors are non-executive.

\* Appointed Chairperson on 21 February 2023

### Manager:

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Ireland

### Depository:

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Ireland

### Independent Auditor:

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Chartered Accountants & Statutory Audit Firm  
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Ireland

### EU Facilities Agent:

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### Company Registration Number:

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### Global Distributor:

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### Administrator, Registrar, Transfer Agent and Company Secretary:

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### Legal Adviser:

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