



EUR Class I Acc | ISIN: LU0289523259

NAV per Share

EUR Class I Acc €368.59

Fund Details

Fund Size	€506.6 m
Base Currency	EUR
Denominations	USD/GBP/EUR
Fund Structure	SICAV
Domicile	Luxembourg
Launch Date	04 May 2010
Investment Manager	Polar Capital LLP
SFDR Classification	Article 8

Fund Managers



David Robinson
Lead Fund Manager

David has managed the fund since launch, he joined Polar Capital in 2021 and has 18 years of industry experience.



Eleanor Lee
Fund Manager

Eleanor has managed the fund since 2022, she joined Polar Capital in 2021 and has 16 years of industry experience.

Fund Profile

Investment Objective

The Fund's investment objective is to achieve capital appreciation through selective investment in European equities.

Key Facts

- Benchmark unconstrained, typically contains 50-70 conviction ideas
- Fundamentally-driven analysis and bottom-up stock selection
- Bias towards high quality growth stocks but with a strong valuation discipline
- Invests across all market capitalisations, with a tilt towards mid-small caps
- ESG considerations integrated within the investment process
- Awarded ESG LuxFLAG Label for 2022

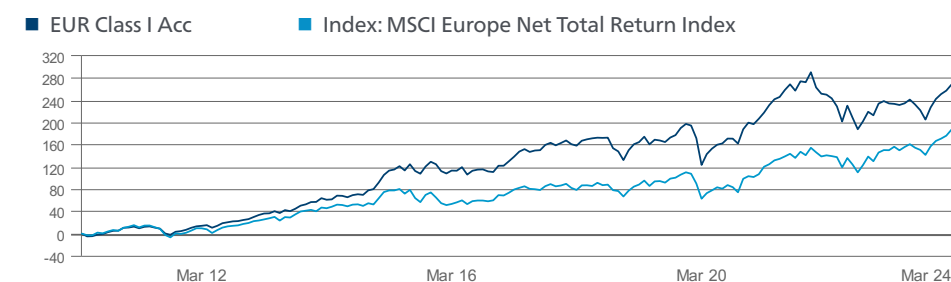
Fund Ratings



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

Share Class Performance

Performance Since Launch (%)



	Since Launch								
	1m	3m	YTD	1yr	3yrs	5yrs	10 yrs	Cum.	Ann.
EUR Class I Acc	3.07	7.60	7.60	10.17	15.92	39.13	128.79	268.59	9.83
Index	3.94	7.63	7.63	14.79	30.31	52.48	97.09	187.37	7.88

Discrete Annual Performance (%)

12 months to	28.03.24	31.03.23	31.03.22	31.03.21	31.03.20
EUR Class I Acc	10.17	-4.52	10.19	42.08	-15.53
Index	14.79	3.82	9.34	35.32	-13.53

Calendar Year Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EUR Class I Acc	9.37	-19.84	30.25	0.78	28.03	-11.69	18.43	-1.23	24.88	14.87
Index	15.83	-9.49	25.13	-3.32	26.05	-10.57	10.24	2.58	8.23	6.84

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

Performance for the EUR Class I Acc. The class launched on 4 May 2010. Performance data is shown in EUR. Source: Northern Trust Global Services SE (Luxembourg)

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

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Portfolio Exposure & Attribution

As at 28 March 2024

Top 10 Positions (%)

ASML Holding	4.7
Robertet SA	3.1
Nestle	2.8
ASR Nederland NV	2.8
Kongsberg Gruppen	2.6
JTC	2.6
Indra Sistemas SA	2.5
Merck KGaA	2.5
Cie Financiere Richemont	2.4
Cap Gemini SA	2.3

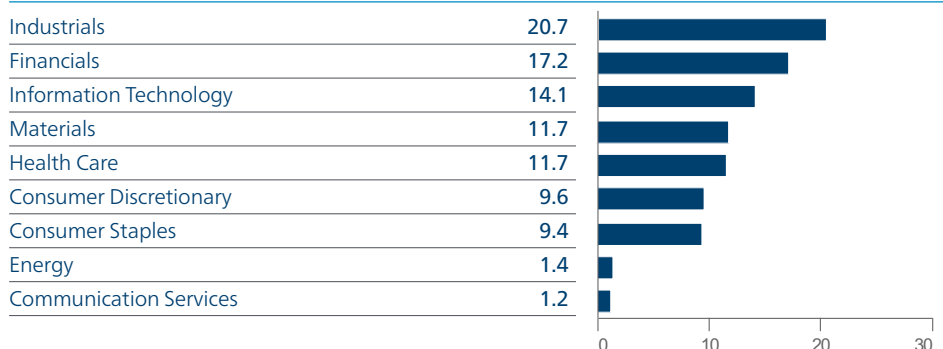
Total **28.3**

Total Number of Positions **59**

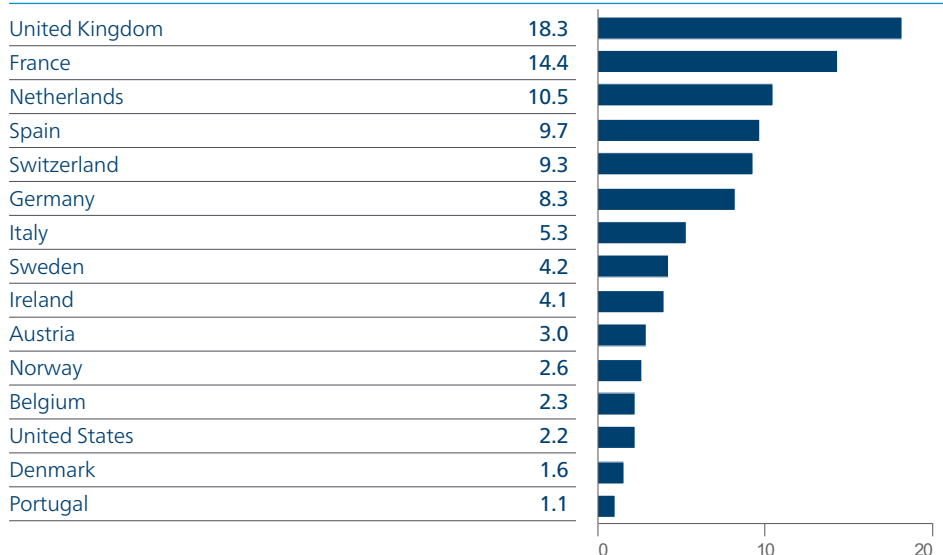
Market Capitalisation Exposure (%)

Large (>€10bn)	44.7
Medium (€3 to 10bn)	30.5
Small (<€3bn)	24.7

Sector Exposure (%)



Geographic Exposure (%)



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

Share Class Information

Share Class	Bloomberg	ISIN	SEDOL	Minimum Investment	OCF [†]	Ann. Fee	Perf. Fee ^{††}
EUR B Acc	MSEOPB1 LX	LU1231252237	BXC8723	USD 10,000	1.85%	1.65%	N/A
EUR CS Acc	-	LU2085698996	-	USD 10,000	1.04%	0.85%	N/A
EUR I Acc	MSOPBEU LX	LU0289523259	B4325G1	USD 10,000	1.05%	0.85%	N/A
USD I Acc	MSOPBUS LX	LU0289527912	B42L0S6	USD 10,000	1.05%	0.85%	N/A
GBP I Acc	MSOPDGB LX	LU0289524653	B1Z4RK2	USD 10,000	1.05%	0.85%	N/A
EUR P Acc*	MSEUP1E LX	LU0952580347	BXC8712	USD 250,000	1.01%	0.85%	N/A

*For investors that qualify as Institutional Investors within the meaning of Article 174 of the 2010 Law

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

^{††}Performance Fee This Fund does not have a performance fee.

Fund Managers' Comments

Investment background

In a month in which Japan, the cradle of modern-day deflation, ended its historic era of negative interest rates, with the Bank of Japan raising short-term rates as expected for the first time in 17 years, financial markets showed a clear inflationary bias. Global equity markets made new highs, while Brent rose almost 5%, copper gained over 4%, and gold jumped over 9%, decisively breaking above the \$2,000/oz level that has been a ceiling over the past four years, as investors looked to hedge against stubborn inflation. The inflation trade was also visible in European equity markets, with financials (7.6%), energy (7.2%) and materials (7.1%) leading the way, whereas technology (1.2%) and consumer staples (1.2%) lagged.

Renewed impetus in the inflation trade reflected stickiness in US inflation, even though the Fed maintained its dot-plot guidance for three rate cuts this year. US inflation data, together with growth expectations, have generally exceeded forecasts since the start of the year, with the Fed's favoured metric, the headline personal consumption expenditure (PCE) deflator, ticking up from 2.4% to 2.5%. In view of this, Fed Governor Christopher Waller stated towards the end of the month that there was no rush to cut rates.

If inflation has surprised to the upside in the US so far this year, the reverse has generally been true in Europe. Eurozone inflation moved closer to the ECB's 2% target, dropping to 2.4% in March and falling below the US PCE for the first time in two years. Inflation measures also came in softer than expected in the UK and Switzerland.

This divergence in the path of inflation has seen Europe emerge as the frontrunner in the global easing cycle, whereas it had previously been widely expected to follow the Fed. The Swiss National Bank, known for its tendency to deliver significant surprises, took the lead with an unexpected rate cut in March, a decision that looked justified in the context of 1% inflation and the appreciation of the Swiss Franc on global currency markets. Given moderating inflation and continuing subdued PMI data in Germany and France, there appear to be fewer grounds for the ECB to delay rate cuts beyond June. By the beginning of April, interest rate swap markets were pricing in nearly 90bps of rate cuts by the ECB, compared to almost 70bps by the Fed and Bank of England.

Strategy highlights

The Fund (EUR I Acc Share Class) returned 3.1% in March, compared to a total return of 3.9% by the MSCI Europe Net Total Return Index (both figures in euro terms). During the month, the Fund's diversified holdings in materials (industrial gases; ingredients; building materials) underperformed the strong rebound by mining and resources stocks in the sector, while our overweight exposure to technology also weighed on returns as the sector saw profit-taking.

This took the Fund's total return for the first quarter to 7.6% (EUR I Acc Share Class), in line with the benchmark. Stock selection was generally positive, offsetting size factors which continued to provide a stiff headwind. Although market breadth in the US is now improving, with the cumulative advance/decline line for the New York Stock Exchange finally moving above its 2021 high, concentration in European equities remained unusually elevated. The EURO StoXX 50 Index, as a broad proxy for the largest companies, made a total return of 12.8% in the first quarter, whereas the MSCI Europe Mid Cap and Small Cap indices returned 4.8% and 3.5% respectively (all figures in euros and denominated in net total return terms).

Spanish bank Bankinter (26bps) was the leading contributor during the month, partly reflecting overall strength in European banks on the tapering of forward rate cut expectations. It also shows a

catch-up in performance after unjustifiably lagging the sector last year as the market digested the bank's significantly decreased rate sensitivity to declining rates and supportive messages out from an investor conference.

The European defence sector continued to perform well against a backdrop of geopolitical instability and growing recognition in the capitals of Europe of the urgency for self-sufficiency in defence and security given the potential for another Trump administration in the US. Norwegian defence group Kongsberg Gruppen (21bps) is a clear beneficiary and continues to ramp up capacity to meet strong demand, announcing more large orders during the month.

Spanish group Indra Sistemas (20bps) was another leading contributor, as its strong set of year-end results were followed by an ambitious but overall well-received capital markets day under its new CEO. Under the new plan, the company aspires to lead the Spanish national defence ecosystem in less than 10 years. On an organic basis by 2026, it aims to deliver €5.3bn in revenues (7% CAGR) and €525m EBIT (15% CAGR). On top of this, it aims to undertake asset rotation and accelerate on M&A to deliver a combined €6bn of revenues (11% CAGR) and >€600m EBIT (20% CAGR). This would imply sizeable upside to consensus earnings forecasts and, with its defence and air traffic management exposure expected to drive the majority of group EBITDA by 2026, this supported a further rerating of the stock given a sizeable 30-40% discount to defence peers.

The Spanish pharmaceutical group Laboratorios Farmaceuticos Rovi (19bps) again performed well, after the publication of a number of favourable analyst notes highlighting the value of its CDMO (contract development and manufacturing services) assets that we have discussed in previous fact sheet commentaries. As this is becoming better understood by the market, we took advantage of this rally to take some profits in the stock.

Detractors in March were mainly concentrated in the technology sector, which saw broad-based profit-taking in the month. IT services group Cap Gemini (-12bps) underperformed after US peer Accenture reduced its FY24 growth outlook, albeit Accenture's revised guidance implied a similar growth rate to that already incorporated into Cap Gemini's outlook. Despite this, Cap Gemini trades at a P/E discount of nearly 40% to its US rival.

Vacuum technology group Inficon Holding (-8bps) reported strong FY23 results but underperformed after releasing underwhelming sales guidance for FY24. The company has less visibility at this stage than last year, when they had a large backlog to work down, but orders have remained solid and management has a track record of guiding conservatively.

Probe card manufacturer Technoprobe (-7bps) was also weaker after a broker downgrade and, despite Q4 results were broadly in line with expectations, downward revisions to FY24 earnings estimates due to an expected H2-weighted recovery, short visibility and the integration of acquisitions that are dilutive to margins and profitability in the short term. However, this investment and acquisitions during the downcycle will lead to Technoprobe becoming fully vertically integrated, which is likely to reinforce further its dominant market positioning. Furthermore, the company is planning to invest in 2024 to double capacity to be prepared for the semiconductor cycle recovery and AI growth over 2025-27. This implies potential for sizeable upside as utilisation recovers in the next upcycle.

Luxury goods group Cie Financiere Richemont (-10bps) also underperformed after a profit warning from peer Kering weighed on the sector. This was predominantly due to very weak trading at

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Gucci, where comparable sales were down nearly 20% y/y in the first quarter. The Gucci brand has struggled for some time, so we would not be inclined to over-extrapolate the problems there. Nevertheless, the sector faces a particularly difficult comparison base in the first quarter and, given the strong rally by Richemont since the start of the year, we tactically reduced the position.

We also took the decision to sell our holding in the testing and certification group Applus Services at a price way above the highest bid of €11 per share for the company. Although Applus Services is still subject to a competitive bidding process, we believe this is nearing the endgame and the publication in March of the tender terms for the renewal of the IDIADA concession, which include a higher-than-expected upfront payment, is likely to place a ceiling on further bids for the company. We reinvested some of the proceeds into building up our position in its peer Bureau Veritas (8bps), with our confidence in the prospects for the business reinforced by a successful capital markets day in March.

[David Robinson](#)

5 April 2024

Risks

- **Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund.**
- **Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested.**
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.
- The Fund may enter derivative contracts. The Fund's use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as failure amongst market participants.
- The Fund invests in company shares, and share prices can rise or fall due to several factors affecting global stock markets.
- The Fund may invest in assets denominated in currencies other than the Fund's base currency. Changes in exchange rates may

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This Fund promotes environmental and/or social characteristics and is classified as an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation ("SFDR"). For more information, please see the Fund's prospectus or by visiting www.polarcapital.co.uk.

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

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

Your decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in its Prospectus. For more information, please see the Fund's prospectus or visit www.polarcapital.co.uk.

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

A summary of investor rights associated with investment in the Fund is available online at the above website, or by contacting the above email address.

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Benchmark The Fund is actively managed and uses the MSCI Europe Net Total Return Index as a performance target. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found <http://www.msci.com>. The benchmark is provided by an administrator on the European Securities and Markets Authority (ESMA) register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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Dealing	Daily
Cut-off	14:00 Luxembourg time

have a negative impact on the Fund's investments. If the share class currency is different from the currency of the country in which you reside, exchange rate fluctuations may affect your returns when converted into your local currency.

in Shares of the Fund, they should ensure that they have been properly advised about the suitability of an investment.

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

Switzerland The principal fund documents (the Prospectus, KIDs, Memorandum and Articles of Association, Annual Report and Semi-annual Report) of the Fund may be obtained free of charge from the Swiss Representative. The Fund is domiciled in Luxembourg. The Swiss representative is Edmond de Rothschild (Suisse) S.A., 18, Rue de Hesse, 1204 Genève, Switzerland.

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Important Information (contd.)

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

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