Polar Capital Funds plc
Biotechnology Fund

31 July 2023



USD Class I Dist | ISIN: IE00B42Z4531

NAV per Share

USD Class I Dist	US$38.60

Fund Details

Fund Size	US$1,854.0 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	31 October 2013
Investment Manager	Polar Capital LLP
SFDR Classification	Article 8

Fund Manager



David Pinniger
Lead Fund Manager
David has managed the fund since launch, he joined Polar Capital in 2013 and has 23 years of industry experience.

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Fund Profile

Investment Objective

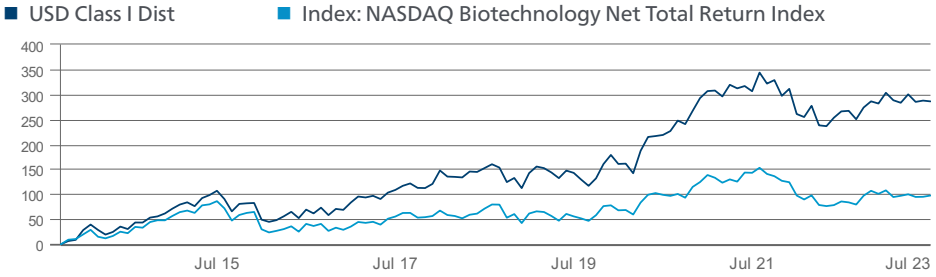
The Fund aims to preserve capital and achieve long-term capital appreciation by investing throughout the biotechnology ecosystem, across geographies and market capitalisations.

Key Facts

- Team of eight sector specialists
- The team has 170+ years of combined industry experience
- Typically 40-60 positions
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

Share Class Performance

Performance Since Launch (%)



	1m	3m	YTD	1yr	3yrs	5yrs	Since Launch Cum.	Since Launch Ann.
USD Class I Dist	-0.41	-3.52	1.13	5.46	21.08	52.87	286.00	14.85
Index	1.30	-1.22	-1.68	6.40	-0.71	15.33	97.59	7.23

Discrete Annual Performance (%)

12 months to	31.07.23	29.07.22	30.07.21	31.07.20	31.07.19
USD Class I Dist	5.46	-9.92	27.45	31.25	-3.80
Index	6.40	-23.59	22.14	27.69	-9.04

Calendar Year Performance (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
USD Class I Dist	-7.15	4.69	40.85	31.26	-3.85	30.79	-7.55	12.99	48.48	-
Index	-10.36	-0.18	26.20	24.90	-9.00	21.38	-21.69	11.33	33.89	-

Performance relates to past returns and is not a reliable indicator of future returns.
Performance for the USD Class I. The class launched on 31 October 2013. Performance data is shown in USD. Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Benchmark performance shown in USD. Source: Bloomberg.
If this is not your local currency, exchange rate fluctuations may cause performance to increase or decrease when converted into your local currency.
Performance data takes account of fees paid by the fund but does not take account of any commissions or costs you may pay to third parties when subscribing for or redeeming shares or any taxes or securities account charges that you may pay on your investment in the fund. Such charges will reduce the performance of your investment. A 5% subscription fee can be charged at the Investment Managers discretion.

Fund Ratings

Ratings are not a recommendation.

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Source & Copyright: CITYWIRE. David Pinniger has been awarded an AA rating by Citywire for his 3 year risk-adjusted performance for the period 30/06/2020 - 30/06/2023.
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Portfolio Exposure & Attribution

As at 31 July 2023

Top 10 Positions (%)

Vertex Pharmaceuticals	7.1
Regeneron Pharmaceuticals	5.3
Biogen	4.7
Seagen	4.7
arGEN-X BV	4.1
AstraZeneca	3.9
Xenon Pharmaceuticals	3.5
Incyte Corp	3.4
Zealand Pharma A/S	3.3
Sanofi	2.9
Total	**42.9**

Total Number of Positions 51

Active Share 62.18%

Market Capitalisation Exposure (%)

Large Cap (>US$5bn)	51.8
Mid Cap (US$1 - 5bn)	35.7
Small Cap (<US$1 bn)	10.7
Cash	1.8

Performance Attribution - 1 Month (%)

Top Contributors

	Active Weight	Attrib. Effect
Evotec AG	2.64	0.40
arGEN-X BV	1.64	0.29
Gilead Sciences	-8.17	0.19
Moderna	-4.45	0.19
Genmab A/S	2.49	0.19

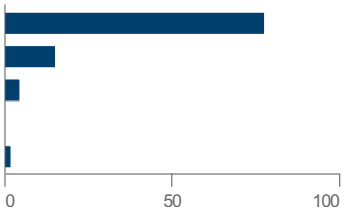
Top Detractors

	Active Weight	Attrib. Effect
Apellis Pharmaceuticals	0.83	-0.96
Viridian Therapeutics	1.76	-0.43
Bavarian Nordic A/S	1.43	-0.39
Amgen	-8.44	-0.35
Bridgebio Pharma	-0.38	-0.27

Performance attribution is calculated in USD on a relative basis over the month. Attribution effect is shown gross of fees.

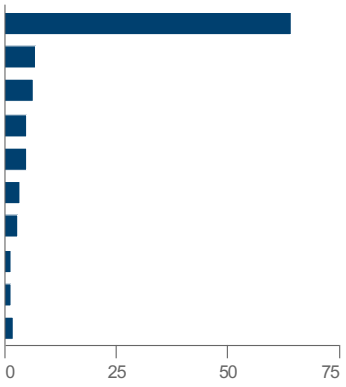
Sector Exposure (%)

Biotechnology	78.1
Pharmaceuticals	15.0
Life Sciences Tools & Services	4.8
Healthcare Technology	0.3
Cash	1.8



Geographic Exposure (%)

United States	64.3
Denmark	7.2
United Kingdom	6.7
Netherlands	5.2
France	4.9
Canada	3.5
Germany	3.1
Sweden	1.7
Ireland	1.6
Cash	1.8



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.

Fund Manager's Comments

The portfolio returned -0.4% (USD I Dist Share Class) in July versus 1.3% for the Fund's benchmark, the NASDAQ Biotechnology Net Total Return Index (NBI), for a relative underperformance of -1.7% (all figures in dollar terms).

Sector review

The biotechnology sector underperformed the broader market, with the S&P 500 Total Return Index up 3.2% (in dollar terms). While the biotechnology sector kept pace with the broader market, melting higher for most of the month, the final week saw notable de-grossing activity (the process of buying back short positions while selling down long positions) by the long-short hedge fund community. This adversely affected 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 in the space. 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) offside, and for the Fund this situation represented a material driver of relative underperformance over the month.

Outlook

With specialist investors struggling to find strong product cycle stories among the larger commercial-stage companies and experiencing continued performance frustration from owning the higher quality mid-sized revenue growth and clinical development-stage companies, combined with wonky or wrong-way positioning around clinical newsflow and M&A situations, previously firming investor sentiment towards the space seems to have evaporated through the early summer period. Indeed, the de-grossing activity into month end indicates a degree of short-term capitulation from the dedicated investment community. This widespread frustration (again, including from ourselves) stands in stark contrast to the fundamentals for the sector that continue to improve. R&D productivity remains high (clinical trial newsflow on balance seems to be trending positively and calendar YTD 29 new medicines have been approved by the FDA); management operating performance reports for the second quarter, as well as guidance for the remainder of the year, are largely meeting investor expectations; and M&A activity continues at a brisk pace. This keeps us confident that while broader equity markets continue to be focused elsewhere (with growing expectations for a soft landing with respect to the economic outlook as the Federal Reserve's rate tightening cycle looks to be coming to an end), the fundamental building blocks for value creation can drive better relative performance for the sector through the seasonally stronger period into calendar year-end.

David Pinniger, CFA

1 August 2023

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

Share Class Information

Share Class	Bloomberg	ISIN	SEDOL	Minimum Investment	OCF†	Ann. Fee	Perf. Fee††
USD R Dist	POLBTRU ID	IE00B3XLHR60	B3XLHR6	-	1.62%	1.50%	10%
GBP R Dist	POLBTRS ID	IE00B3XDCF51	B3XDCF5	-	1.62%	1.50%	10%
EUR R Dist	POLBTRE ID	IE00B3VXGD32	B3VXGD3	-	1.62%	1.50%	10%
USD I Dist	POLBTIU ID	IE00B42Z4531	B42Z453	USD 1m	1.12%	1.00%	10%
GBP I Dist	POLBTIS ID	IE00B42P0H75	B42P0H7	USD 1m	1.12%	1.00%	10%
GBP I Dist Hdg	PCPBIHG ID	IE00BFX4HX56	BFX4HX5	-	1.12%	1.00%	10%
EUR I Dist	POLBTIE ID	IE00B3WVRB16	B3WVRB1	USD 1m	1.12%	1.00%	10%

†**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** 10% of outperformance of NASDAQ Biotechnology Net TR Index.

Administrator Details

Northern Trust International Fund Administration Services (Ireland) Ltd

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

Risks

- Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund before investing.
- Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested as there is no guarantee in place.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.
- The Fund invests in the shares of companies, and share prices can rise or fall due to several factors affecting global stock markets.
- The Fund uses derivatives which carry the risk of reduced liquidity, substantial loss, and increased volatility in adverse market conditions, such as failure amongst market participants.
- The Fund invests in assets denominated in currencies other than the Fund's base currency. Changes in exchange rates may have a negative impact on the Fund's investments. If the share class currency is different from the currency of the country in which you reside, exchange rate fluctuations may affect your returns when converted into your local currency. Hedged share classes may have associated costs which may impact the performance of your investment.
- The Fund invests in a relatively concentrated number of companies and industries based in one sector. This focused strategy can produce high gains but can also lead to significant losses. The Fund may be less diversified than other investment funds.

Important Information

This is a marketing communication and does not constitute a solicitation or offer to any person to buy or sell any related securities or financial instruments. Any opinions expressed may change. This document does not contain information material to the investment objectives or financial needs of the recipient. This document is not advice on legal, taxation or investment matters. Tax treatment depends on personal circumstances. Investors must rely on their own examination of the fund or seek advice. Investment may be restricted in other countries and as such, any individual who receives this document must make themselves aware of their respective jurisdiction and observe any restrictions.

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

Investment in the Fund is an investment in the shares of the Fund and not in the underlying investments of the Fund. Further information about fund characteristics and any associated risks can be found in the Fund's Key Investor Document or Key Investor Information Document ("KID" or "KIID"), the Prospectus (and relevant Fund Supplement), the Articles of Association and the Annual and Semi-Annual Reports. Please refer to these documents before making any final investment decisions. These documents are available free of charge at Polar Capital Funds plc, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland, via email by contacting Investor-Relations@polarcapitalfunds.com or at www.polarcapital.co.uk. The KID is available in the languages of all EEA member states in which the Fund is registered for sale; the Prospectus, Annual and Semi-Annual Reports and KIID are available in English.

The Fund promotes, among other characteristics, environmental or social characteristics and is classified as an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation (SFDR). For more information, please see the Prospectus and relevant Fund Supplement.

ESG and sustainability characteristics are further detailed on the investment manager's website: (https://www.polarcapital.co.uk/ESG-and-Sustainability/Responsible-Investing/).

A summary of investor rights associated with investment in the Fund is available online at the above website, or by contacting the above email address. This document is provided and approved by both Polar Capital LLP and Polar Capital (Europe) SAS.

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Benchmark The Fund is actively managed and uses the NASDAQ Biotechnology Net Total Return Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found https://indexes.nasdaqomx.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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Spain The Fund is registered in Spain with the Comisión Nacional del Mercado de Valores ("CNMV") under registration number 771.

Switzerland The principal fund documents (the prospectus, KID/KIIDs, memorandum and articles of association, annual report and semi-annual report) of the Fund may be obtained free of charge from the Swiss Representative. The Fund is domiciled in Ireland. The Swiss representative and paying agent is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

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