



GBP Class I Acc | ISIN: IE00B73PVZ22

NAV per Share

GBP Class I Acc £3.21

Fund Details

Fund Size	£24.7 m
Base Currency	GBP
Denominations	GBP/USD/EUR
Fund Structure	UCITS
Domicile	Ireland
Launch Date	29 December 2023
Investment Manager	Polar Capital LLP
SFDR Classification	Article 8

Fund Manager

Nick Brind
Fund Manager

Nick has managed the fund since December 2023, he joined Polar Capital in 2010 and has 29 years of industry experience.¹


Jack Deegan
Fund Manager

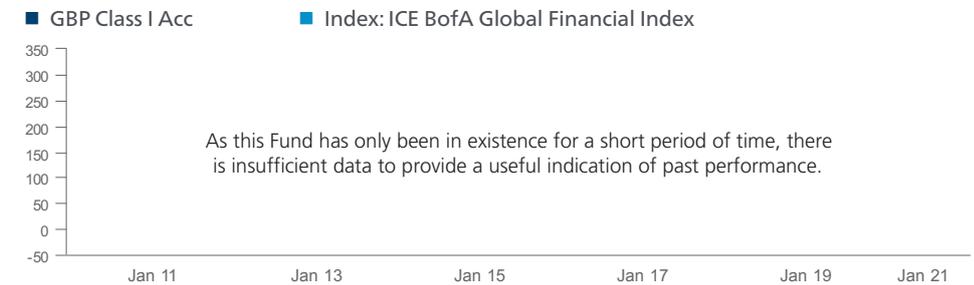
Jack has managed the fund since December 2023, he joined Polar Capital in 2017 and has 14 years of industry experience.

Fund Profile
Investment Objective

The objective of the Fund is to achieve an attractive level of income by investing primarily in the senior and subordinated debt securities of financial companies globally.

Key Facts

- Team of six sector specialists
- Award-winning managers, 120+ years of combined experience
- 20+ year track record of running specialist financial sector funds
- Minimum of 40 positions
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection combined with macro-economic analysis

Share Class Performance
Performance Since Launch (%) ^{1 2}


	Since Launch							Cum.	Ann.
	1m	3m	YTD	1yr	3yrs	5yrs	10 yrs		
GBP Class I Acc	-	-	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-	-	-

Discrete Annual Performance (%)

12 months to	31.01.24	31.01.23	31.01.22	29.01.21	31.01.20
GBP Class I Acc	-	-	-	-	-
Index	-	-	-	-	-

Calendar Year Performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GBP Class I Acc	-	-	-	-	-	-	-	-	-	-
Index	-	-	-	-	-	-	-	-	-	-

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

Performance for the GBP Class I Acc. The class launched on 29 December 2023. Performance data is shown in GBP. Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Benchmark performance shown in GBP. 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 3.5% subscription fee can be charged at the Investment Managers discretion.

1. On 29 December 2023, the Polar Capital Financial Credit Fund changed its name, policy and objective from the Polar Capital Income Opportunities Fund which was launched on 15 October 2009. Nick Brind managed the Income Opportunities Fund since 2009.

2. Index is a reference for performance measurement.

Portfolio Exposure & Attribution

As at 31 January 2024

Total Number of Positions **58**

Asset Allocation (%)

Tier 2	32.8
Senior	23.3
AT1	13.8
Government	6.0
Loans	5.0
Tier 1	4.0
RT1	3.7
Preference	2.9
CCDS	2.4

Modified Duration **3.34**

Yield to Worst (%) **7.41**

Top 10 Positions (%)

JPMorgan Chase 0.991% 04/2026	3.9
Riverstone Credit Opportunities	3.6
Intesa Sanpaolo Spa 8.505% 09/2032	3.4
Investec Pref	2.9
IG Group Holdings 3.125% 11/2028	2.9
Lancashire Holdings Ltd 5.625% 09/2041	2.8
Eurobank Erg Svcs Hldgs 10% 12/2032	2.6
Caixabank Sa 6.875% 10/2033	2.5
Shawbrook Group 12.25% 01/2034	2.5
Intl Personal Finance Pl 9.75% 11/2025	2.4
Total	29.7

Credit Quality (%)

High yield	48.3
Investment grade	31.7
Other	8.0
Government	6.0
Cash	6.0

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 Managers' Comments

Fund and market review

January was an excellent month for the Fund despite it being a weaker one for returns after the very strong performance of financial markets in November and December. Government bonds posted negative returns as yields rose marginally over the month in response to higher-than-expected inflation data in the UK and US, as well as very strong fourth quarter US GDP data and December retail sales. Federal Reserve (Fed) commentary was also more hawkish.

Against this background, the Fund* returned 1.0%, while our benchmark, the ICE BofA Global Financial Index, returned 0.4% (sterling terms).

Following record high issuance in 2023, debt capital markets saw further strength in January. European banks issued c€75bn of regulatory capital and senior debt, a 58% increase versus the five-year average. This deluge arrived despite increased MREL¹ compliance, with the European Central Bank most recently identifying a subordinated shortfall of only €2.6bn, and TLTRO² repayment, with 83% repaid as of the end of December. It was well received by markets with pricing for new issues tightening by an average of 25bps over the month and spreads tightening by a further 15bps once trading commenced.

We took advantage of this supply to participate in the issue of new euro-denominated Tier 2 bonds of Piraeus Bank on a yield of 7.25%, and new euro-denominated AT1 bonds by BPER Banca on a yield of 8.375%. BPER Banca is Italy's fourth largest bank, with solid market share in the region of Emilia-Romagna, and total assets of €143bn at the end of September 2023. The bank has undergone a significant transformation in recent years including the merger with Banca Carige. This, along with improved asset quality and operating efficiency, has been recognised by rating agencies, leading to recent rating upgrades and the continued assignment of a positive outlook by Moody's, which normally precedes further rating improvements.

Legacy debt, so-called because these instruments carry features considered no longer acceptable as capital by regulators under new rules, remained in focus during the month. This followed the publication of an investor-friendly letter by the European Banking Authority (EBA) setting out its view that BNP Paribas legacy perpetual bonds should have been classified as ineligible from the end of the first grandfathering period in December 2021 and not June 2025 as the bank had assumed. Consequently, we believe the intervention is supportive for legacy debt, to which we remain exposed through holdings in HSBC Capital Funding, Barclays Bank and NIBC Bank.

AXA's decision to issue its first ever Restricted Tier 1, the insurance equivalent of Additional Tier 1 bonds, was well received by markets, with AXA managing to issue €1.5bn at a 6.375% yield, reflecting the strength of its business and investment grade ratings of BBB+ by S&P and Baa1 by Moody's. They also communicated their intention to maintain a leverage ratio of 19-23% through the retirement of non-eligible bonds by the end of 2025, which was a catalyst to start a small holding in one of their US dollar-denominated legacy bonds at a large discount to par.

New York Community Bancorp's (NYCB) profit warning, in part due to regulators forcing it to increase its provisions by \$552m on its commercial real estate (CRE) loan book, as well as recording a write-off of \$185m on two properties, greater than the cumulative write-offs taken by the bank over the past decade, has unsurprisingly raised concerns about CRE exposure at other US banks. While the issues at

NYCB are largely idiosyncratic, we have remained cautious on US banks since the collapse of Silicon Valley Bank in March last year.

Consequently, the Fund's only US bank exposure is a senior bond issued by JPMorgan Chase. Following a deep-dive into US bank CRE exposure towards the end of 2023, initiated after several European lenders issued profit warnings linked to their US office exposure, we continue to remain on the sidelines. We believe these issues are very manageable but will put pressure on the equity and bonds of the banks in question.

In January, the UK's Financial Conduct Authority (FCA) announced an investigation into historic motor finance commissions, where payment from the lender to the dealer was directly linked to the interest rates on the motor finance loan. The investigation, which will look at activity over a 14-year period up to 2021, was prompted by a surge in customer complaints, claiming they were charged 'excessive' interest rates on these loans. As a result, it will consider the extent to which firms have brought harm to customers and whether redress is necessary.

With the FCA's investigation unlikely to be completed until the autumn at the earliest, uncertainty as to the possible outcome remains an overhang. With motor lending a relatively modest exposure for most UK banks, at 2-3% of loans, this uncertainty has only been reflected in share price weakness to date. The exception is Close Brothers Group, which has 20% of its loan book exposed to motor finance and, in addition to a sharp fall in its share price, has seen the price of its AT1 bond fall 6% during the month. The Fund has no exposure to this bond.

Outlook

Yale Hirsh, the creator of *The Stock Trader's Almanac*, once noted that "as goes January, so goes the year". If this is the case, we can expect further disinflation and steady growth, raising the prospects of a soft landing and reducing the tail risk of a sharp downturn. New commodity price spikes from geopolitical shocks, such as those in the Red Sea, and supply disruptions or more persistent underlying inflation could, however, keep interest rates higher for longer with economies proving more resilient than expected.

We reduced the duration of the portfolio at the beginning of January by selling some Long Gilt futures, believing the rally in government bonds in November and December was overextended. We closed out the position in the middle of the month after government bond yields backed up. We remain constructive on the outlook, but are keeping some of our powder dry in order to take advantage of any opportunities a pullback might present.

Nick Brind & Jack Deegan

5 February 2024

*GBP I Acc Share Class

¹ MREL: Minimum requirements for own funds and eligible liabilities

² TLTRO: Targeted long-term refinancing operations

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 ^{**}
GBP R Dist	HIMRA11 ID	IE00B759Y860	B759Y86	-	1.34%	1.25%	N/A
GBP R Acc	HIMRA2A ID	IE00B7456569	B745656	-	1.34%	1.25%	N/A
GBP I Dist	HIMIB11 ID	IE00B4TCHT23	B4TCHT2	GBP 1m	0.84%	0.75%	N/A
GBP I Acc	HIMIB2A ID	IE00B73PVZ22	B73PVZ2	GBP 1m	0.84%	0.75%	N/A
EUR R Dist	HIMRES D ID	IE00BY7RSY17	BY7RSY1	-	1.34%	1.25%	N/A
EUR R Acc	HIMRESA ID	IE00BY7RTK46	BY7RTK4	-	1.34%	1.25%	N/A
EUR I Dist	HIMRIES ID	IE00BY7RT263	BY7RT26	GBP 1m	0.84%	0.75%	N/A
EUR I Acc	HIMRIEA ID	IE00BY7RTT39	BY7RTT3	GBP 1m	0.84%	0.75%	N/A
USD R Dist	HIMRUSD ID	IE00BY7RST63	BY7RST6	-	1.34%	1.25%	N/A
USD R Acc	HIMRUSA ID	IE00BY7RT826	BY7RT82	-	1.34%	1.25%	N/A
USD I Dist	HIMRIUD ID	IE00BY7RSZ24	BY7RSZ2	GBP 1m	0.84%	0.75%	N/A
USD I Acc	HIMRIUA ID	IE00BY7RTS22	BY7RTS2	GBP 1m	0.84%	0.75%	N/A
EUR I Acc Hdg	POIIEAH ID	IE00BZ4SWG46	BZ4SWG4	GBP 1m	0.84%	0.75%	N/A
EUR I Dist Hdg	POIIEDH ID	IE00BZ4SWF39	BZ4SWF3	GBP 1m	0.84%	0.75%	N/A
EUR R Acc Hdg	POIREAH ID	IE00BZ4SWD15	BZ4SWD1	-	1.34%	1.25%	N/A
EUR R Dist Hdg	POIREDH ID	IE00BZ4SWC08	BZ4SWC0	-	1.34%	1.25%	N/A
USD R Acc Hdg	POIRUHA ID	IE00BF2CWP70	BF2CWP7	-	1.34%	1.25%	N/A
USD R Dist Hdg	POIRUHD ID	IE00BZ4D6L20	BZ4D6L2	-	1.34%	1.25%	N/A
GBP S Acc	PLFCSGA ID	IE0009SA2AQ1	BQ75429	USD 5m	0.59%	0.50%	N/A
GBP S Dist	PLFCFSG ID	IE0001VR8U70	BQ75430	USD 5m	0.59%	0.50%	N/A
USD S Acc	PFLCFNS ID	IE000N6YRT63	BQ75452	USD 5m	0.59%	0.50%	N/A
USD S Dist	PLFCSD ID	IE000T6BPM56	BQ75463	USD 5m	0.59%	0.50%	N/A
EUR S Acc	PLFCFSU ID	IE000K4ULEY4	BQ75474	USD 5m	0.59%	0.50%	N/A
EUR S Dist	PLFCFSE ID	IE000H9JEM12	BQ75496	USD 5m	0.59%	0.50%	N/A

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

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

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 fixed income securities, and prices can rise or fall due to several factors affecting global 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

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Dealing Daily
Cut-off 15:00 Irish time

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.

- There may be times where the issuer or guarantor of a fixed income (or convertible) security cannot meet its payment obligations or has their credit rating downgraded, resulting in potential losses for the Fund.
- The Fund may invest in emerging markets where there is a greater risk of volatility due to political and economic uncertainties, restrictions on foreign investment, currency repatriation and currency fluctuations. Developing markets are typically less liquid which may result in large price movements to the Fund.

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/>).

Important Information (contd.)

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.

Polar Capital LLP is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, and the Securities and Exchange Commission ("SEC") in the United States. Polar Capital LLP's registered address is 16 Palace Street, London, SW1E 5JD, United Kingdom.

Polar Capital (Europe) SAS is authorised and regulated by the Autorité des marchés financiers (AMF) in France. Polar Capital (Europe) SAS's registered address is 18 Rue de Londres, Paris 75009, France.

Polar Capital LLP is a registered Investment Advisor with the SEC. Polar Capital LLP is the investment manager and promoter of Polar Capital Funds plc – an open-ended investment company with variable capital and with segregated liability between its sub-funds – incorporated in Ireland, authorised by the Central Bank of Ireland and recognised by the FCA. Bridge Fund Management Limited acts as management company and is regulated by the Central Bank of Ireland. Registered Address: Percy Exchange, 8/34 Percy Place, Dublin 4, Ireland.

Benchmark The Fund is actively managed and uses ICE BofA Global Financial Index as a reference for performance measurement. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should

carefully consider these differences when making comparisons. Further information about the benchmark can be found <https://www.ice.com/iba>. 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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Country Specific Disclaimers When considering an investment into the Fund, you should make yourself aware of the relevant financial, legal and tax implications. Neither Polar Capital LLP nor Polar Capital Funds plc shall be liable for, and accept no liability for, the use or misuse of this document.

The Netherlands This factsheet is for professional client use only in the Netherlands and it is intended that the Fund will only be marketed to professional clients in the Netherlands. Polar Capital Funds plc is authorized to offer shares in the Fund to investors in the Netherlands on a cross border basis and is

registered as such in the register kept by the Dutch Authority for the Financial Markets ("AFM") www.afm.nl.

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.

Austria / Belgium / Denmark (professional only) / Finland / France / Germany / Gibraltar / Ireland / Italy / Luxembourg / Netherlands / Norway / Portugal / Spain / Sweden / Switzerland and the United Kingdom The Fund is registered for sale to all investors in these countries. Investors should make themselves aware of the relevant financial, legal and tax implications if they choose to invest.