POLAR CAPITAL

Polar Capital Funds plc

Annual Report and Audited Financial Statements
For the year ended 31 December 2022

POLAR CAPITAL

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Investment Manager's Reports

For the financial year ended 31 December 2022

Asian Stars Fund

Fund Performance

In 2022, the Fund (Class I US Dollar Accumulation Shares) returned -26.6% compared to -19.7% for the benchmark, the MSCI All Country Asia ex Japan Net Total Return Index (in US dollar terms), a frustrating year for us.

As a growth and quality manager with a strong focus on sustainability, it was always going to be difficult to have good absolute and relative performance in a year as extreme as 2022 turned out to be. Having said that, we have still been surprised by the magnitude of the share price drops we have seen in some of our holdings on the back of either falling out of favour in the environment, being considered risky geopolitically, as happened with a number of our Chinese and Taiwan investments, experiencing slower growth or having negative margin surprises.

The damage to relative performance was very much in Q1, with the rest of the year a relatively poor value/anti-growth year. The market was surprised by the Fed rate hike cycle as well as, of course, the Russian invasion of Ukraine and the follow-on implications for inflation and geopolitics, as well as a further hit on the technology cycle on the back of the semiconductor war.

In terms of sector performance, we saw a -273bps negative selection effect (stock-picking), country-wise we saw -476bps contribution. This underperformance came more or less entirely from our weakest five or six stock picks. On the plus side, this implies a large part of the portfolio has been performing well, relatively. We believe this is down to our underlying quality and sustainability mindset.

Market Review

The one area that saw positive returns was 'dirty' oil and coal. Even fixed income in safe haven countries did not give any protection as a capital preserver. Anything with even the smallest element of duration risk was extremely discounted. The main headlines globally were the Fed rate hike cycle, the aim being to bring out-of-control inflation back in line. We can add very high levels of geopolitical risk on the back of the Russian invasion of Ukraine, the addition of risk to the already tense situation between the US and China around trade and technology and, of course, China and Taiwan. It peaked in late September / early November when Nancy Pelosi, the US Speaker of the House, visited Taiwan, China's President Xi secured his third term and the US mid-term elections took place. All of these events were spiced up with a technology down-cycle, China's zero-Covid policy and a heated election in Brazil where Luiz Inácio Lula da Silva returned to power.

Fund Activity

On the back of Russia/Ukraine, we significantly increased our exposure to the so-called 'green metals' – commodities needed for the transition into a renewable energy infrastructure. We already had strong copper exposure for a long time, but we saw this as an inflection point to add exposure to lithium and rare earth metals. The market sell-off gave us what, in the future, we will likely look back at as an attractive entry point. Towards the end of the year we reduced our relative overweight in India and added to China, thereby reducing the underweight we had been running in China for quite some time.

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, geopolitics and an aggressive extrapolation of the current down-cycle in the IT sector. Therefore, we see a strong valuation case for our portfolio over the next 6–18 months and feel the sequence of events that will lead to a return of absolute and relative performance in the portfolio will be a combination of inflation fear rolling over, reduced geopolitical tension (we believe both China and the US will become more pragmatic around their policies towards each other) and a cyclical up-turn for the IT sector.

Emerging Markets and Asia Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Automation & Artificial Intelligence Fund

Fund Performance

The Fund (Class I USD Accumulation Shares) returned -33.5% in 2022, underperforming its global equity benchmark, the MSCI AC World Index TR Net, which returned -18.4% (all returns in US dollar terms unless stated otherwise).

The Fund suffered the bulk of its underperformance during the first half of the year when the market derated sharply as a result of rising inflation and interest rates. Value stocks significantly outperformed growth: the MSCI World Growth Index returned -29% significantly underperforming the -5.8% return of the MSCI World Value Index. The derating was broad in nature; while the technology sector's underperformance was noticeable, with the Russell 2000 Technology Growth Index falling -38.8%, the derating was as sharp in high-growth companies across many sectors.

Portfolio performance improved in the second half of the year. The Fund consolidated in companies with strong balance sheets and free cashflow generation characteristics. Meanwhile, the scale of the market derating eased as the pace of increases in investor expectations of terminal rates for central banks also eased.

Within our AI theme, our AI Applications sector performed modestly better than the Fund overall, while our AI Enablers underperformed.

AI Applications contains a diverse set of companies where an accelerated rate of technology adoption supported earnings growth outlooks, offset by some of our longer-duration stocks that came under pressure in the derating, albeit held in smaller position sizes because of their long-duration nature. UnitedHealth and Baker Hughes are two examples of such stocks where their industry-leading digital adoption supported earnings outlooks.

AI Enablers, which largely comprises companies with exposure to the semiconductor industry, was our worst-performing sector. The semiconductor industry was initially hit by a slump in PC demand after a huge pull-forward of demand during the pandemic, as well as smartphone demand falling due to pandemic-related lockdowns in China. Investors then worried about data centre spending falling and this revenue being less resilient than before, although cuts so far have been much more modest than in other more cyclical areas. Examples of such companies affected include NVIDIA, Advanced Micro Devices (AMD) and eMemory Technology.

Within our Automation theme, Factory Automation modestly outperformed the overall Fund, while Digital Transformation modestly underperformed. Our Digital Transformation sub-theme includes some of our higher-growth and higher-multiple stocks. These names were particularly hard hit in the market derating. This was due to the longer-duration nature of the earnings upside we expected such companies to generate from their digital transformation efforts. Our Factory Automation sub-theme benefited from increasing demand from both ongoing factory upgrades and the localisation of certain parts of the supply chain. The strong investment from the electric vehicle (EV) battery sector and semiconductor sector also provided a decent tailwind.

The Fund's top three individual relative performance contributors in 2022 were Tesla (not held), UnitedHealth and Emerson Electric. The bottom three individual relative detractors were NVIDIA, AMD and eMemory Technology.

Market Review

2022 was a challenging year for equity markets. Inflation numbers continued to come in higher than expected. This necessitated a robust policy response from central banks. They engaged in a steep, synchronised rate-hike cycle to prevent a wage-price spiral: more than 80% of central banks increased rates, higher than the previous peak of c.70% in 1995. Russia's invasion of Ukraine exacerbated energy and food price inflation, and China's reluctance to abandon its zero-Covid policy continued to disrupt supply chains. Economic growth slowed, and GDP forecasts were repeatedly downgraded during the year, which was reflected in company results and outlooks.

Given high inflation, a tight labour market and the desire to retain its credibility, the US Federal Reserve (Fed) embarked on its steepest tightening cycle since the early 1980s, cumulatively delivering 425bps of rate hikes by the end of the year to help counteract four-decade-high consumer price inflation (CPI) readings in H2 2022. At the start of the year, futures were pricing the Fed fund rate around 1% in June 2023, but this reached 5% by the end of the year. The cumulative impact of tightening began to be felt most acutely in the US property market. Thirty-year mortgage rates climbed from 3% coming into the year to 7% in October, while the National Association of Home Builders Market Index fell from 83 to 38, near Covid-era lows. Longer-term inflation expectations did, at least, remain well-anchored, with the University of Michigan survey of 5–10-year forward consumer inflation expectations remaining in the 2.9–3.1% range and market-implied 5–10-year forward break-even rates staying below 2.5%.

2022 was, thankfully, a period in which Covid-19 case numbers were no longer the key driver of markets. However, the lingering impact of the virus remained a driver of supply-side inflation, as China maintained its strict zero-Covid policy throughout. Unfortunately, geopolitical risks were still elevated as the war in Ukraine progressed, Russia shut off gas supplies to Europe and China dialled up hawkish rhetoric around Taiwan, as President Xi attempted to successfully consolidate power at the Communist Party Congress. The Chinese yuan fell to levels against the dollar not seen since 2008.

Nevertheless, political developments were supportive of some parts of the market, most notably in energy, clean energy and defence. President Biden signed the Inflation Reduction Act into law, a slimmed-down version of the Build Back Better bill. The Act included combating climate change via tax credits aimed at reducing carbon emissions, helping households offset energy costs and promoting investment in clean energy production. The war in Ukraine has prompted a more aggressive move to accelerate clean power adoption to strengthen energy security. Since the Russian invasion, 19 EU countries have set new records for the use of renewable power, bringing total wind and solar power generation to 24% of EU electricity, while Russian natural gas flows are down more than 80% from pre-war levels.

Investors found themselves navigating a highly uncertain, macro-led market with a wide range of possible macroeconomic and market outcomes. Most major equity markets performed poorly: in dollar terms, the MSCI All Country World returned -18.4% and the S&P 500 returned -18.1%, its fourth-worst annual performance since World War Two, closing down by more than 1% on 24% of all trading sessions, the most since 2008. European, Japanese and Asian markets were similarly weak, with the DJ Euro Stoxx 600 (-15.2%), the TOPIX (-14.3%) and the MSCI Asia ex-Japan (-19.5%) all falling heavily (returns quoted in dollar terms).

Equity markets were not alone in delivering poor returns. For the first time ever, the S&P 500 and the US 10-year Treasury both lost more than 10% in total return terms in a calendar year. The US 10-year Treasury yield increased from 1.51% to 3.88% during 2022, delivering its worst annual return since 1788. By the end of the year, only $25bn worth of bonds in the Bloomberg Global Aggregate Bond Index carried a negative yield, down from $18.4trn just two years ago.

The significant change in the interest-rate environment weighed heavily on growth and longer-duration asset valuations. S&P 500 value stocks (-5.3%) recorded their biggest outperformance against growth stocks (-29.4%) since 2000, helped by the S&P Energy sector, which returned 65.4%. The Dow Jones Industrial Average returned -6.9% against the NASDAQ Composite's -32.5%. Capital market activity declined significantly during the year, with just $98bn of total US equity issuance, down 82% from 2021's record of $539bn.

Fund Activity

In a year dominated by sharp changes to the macroeconomic outlook, we made numerous changes through the course of the period. During the early part of the year, as the market sharply derated in the face of rising inflation, we pivoted the portfolio more defensively. We preferred companies with robust balance sheets and good free cashflow generation, selling down some of our longer-duration exposure, and companies most at risk of a cyclical downturn.

As the scale of derating eased in the second half of the year, we took advantage of much more attractive valuations. We cautiously increased our exposure to high-quality, cashflow-positive growth stocks, noting that the likelihood of recessions continued to rise, but that some such stocks were attractively priced, even allowing for a further downgrade in consensus earnings numbers. As the year closed, we slightly increased our exposure towards early-cycle companies that appeared aggressively oversold. These should be the first beneficiaries of any economic uptick.

New positions established during the year included Disco, Baker Hughes, Wal-Mart Stores, Meituan Dianping, Deere, MSCI, Richemont, ASM International, Adyen, Kone, Veeva Systems, Nabtesco, GMO Payment Gateway, Teradyne, Alibaba, Crowdstrike, Samsung Electronics, Rotork, Aspen Technology, Monolithic Power Systems, Cognex and Farfetch.

There were a small number of stocks where we opened and closed a position within the year. Ocado and Ritchie Bros Auctioneers, both suffered from company-specific developments that fundamentally changed their investment cases; UiPath was an early-year, longer-duration buy that came under pressure as the market derated sharply; Synopsys was a successful outperformer through the course of the year, before we pivoted to other, less expensive semiconductor-related exposure.

We closed positions in Littelfuse, Daifuku, MediaTek, Brembo, Shin-Etsu Chemical, ASML, Tokyo Electron, Givaudan, Seagate Technology, TDK, Siemens Healthineers, Samsung Electro-Mechanics, Duerr, DoorDash, Snap, Airbnb, Unity Software, Guardant Health, UiPath, Netflix, Naver, Toyota Industries, ANSYS, Upstart, Covestro, Meta Platforms, Dolby Laboratories, Sysmex, Corbion, Masimo and PayPal.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Automation & Artificial Intelligence Fund continued

Market Outlook

Macroeconomic conditions continue to dominate the debate as we enter 2023, although the primary debate has transitioned from inflation to the looming recessions that are expected in many economies, whether central banks can engineer soft landings for consumers, and the resulting impact on corporate earnings.

The outlook for inflation has improved. Recent data suggests many countries and sectors are past the peak of inflation, with many companies noting an easing in supply-chain challenges and goods inflation. Energy prices should also continue to support disinflationary trends. The risk from inflation has not yet completely passed, however, with wage growth pressures not yet diminishing or in line with many central banks' long-term inflation targets. The Chinese economic reopening also brings uncertainty over how much this may reintroduce global inflationary pressure in both materials and energy costs. We also remain cognisant that the build-out of incremental supply-chain capacity beyond China might prove a longer-term inflationary driver. This is due to a potential lack of economies of scale as companies diversify away from concentrated and highly efficient manufacturing hubs.

Recessions also appear on the horizon for many economies: Bloomberg data (as of December 2022) indicates a 65% chance of a US recession in 2023, and a 90% chance for both Germany and the UK. The most widely forecast recession in history could still be averted in the US, if the Fed is able to tighten sufficiently to bring the jobs/workers gap down to a level compatible with its 2% inflation target but short of causing a major spike in unemployment and a broader slowdown. China's economic reopening could also provide an offset to slowing global growth, albeit potentially triggering the aforementioned inflationary pressures that would complicate the outlook for central banks' terminal rates.

Amid an uncertain macroeconomic backdrop, we are seeing a moderation of corporate spending as companies prioritise margins and free cashflow generation. Widely reported jobs cuts have been made at large technology companies that previously hired so prodigiously, although the broader labour market remains resilient for now, with the US unemployment rate at 3.6%, as of December. Cloud spending growth expectations have fallen as companies rationalise workloads and search for efficiencies, with knock-on impacts for data centre spending and capex. That said, AI-related spending and expectations continue to remain healthy, as companies prioritise investment in a rapidly developing space that can be both a revenue generator and cost saver. Beyond the technology sector, investment budgets are falling less quickly.

This is especially the case with multi-year digital transformation and technology implementation projects, that allow companies to deal better with supply-chain crises and increase productivity in the face of wage pressures and a tight labour market. Profit-generating investments, such as AI and automation technologies, as well as cybersecurity, given the growing risks from cyber crime, remain the top investment priorities for many companies, according to Chief Information Officer surveys.

We expect macroeconomic developments to continue to lead markets in the near term, given the wide range of outcomes that are currently possible. Looking longer term, however, we remain as excited as ever about the opportunities on offer for the Fund.

The potential of AI in the wider world exploded into the public conscience with the launch of ChatGPT, the OpenAI-developed chatbot that is able to deliver responses in a cogent, conversational manner. ChatGPT is the latest product of the rapid developments made in transformer-based large language models that, combined with other generative AI models such as DALL-E 2, have the potential to revolutionise many tasks, and indeed many industries.

With valuations having reset to more attractive levels and earnings expectations having fallen, we remain optimistic that as markets navigate and find greater certainty in the macroeconomic outlook, these new areas of growth and innovation can provide fertile ground for long-term investment.

Technology Team

Polar Capital LLP

January 2023

Biotechnology Fund

Fund Performance

The Fund (Class I US Dollar Distribution Shares) returned -7.2% in 2022, outperforming its benchmark, the NASDAQ Biotechnology Net Total Return Index, which returned -10.4%. The biotechnology sector outperformed the broader market, with the S&P 500 Total Return Index returning -18.1% over the period (all figures in US dollar terms).

It was another tough year for investors as mounting economic headwinds put most risk assets under pressure. The Fund's correct defensive positioning, away from early-stage technology platform and clinical development stocks, drove its relative outperformance. These stocks continued to find themselves under pressure as the US Federal Reserve targeted elevated inflation with aggressive interest rate increases, as well as perhaps some contagion from the continued poor performance of thematic growth assets generally, most notably in consumer technology. A measure of how much early-stage biotechnology companies continued to struggle was visible in the 25.9% fall in the small-cap-biased SPDR S&P Biotech ETF XBI Index over the year (in dollar terms), alongside an essentially closed IPO market for new biotechnology issues, although the secondary market remained reasonably healthy.

Stock selection in the Fund was generally positive, most notably including six M&A activities involving Fund holdings. However, we experienced frustrating relative underperformance in the fourth quarter after major benchmark constituents in what we term the diversified earnings category surged higher. The market had sought the comfort of the more defensive profile of these large-cap commercial stage (bio)pharmaceutical companies.

Within the biotechnology sector, clinical development and regulatory news flow continued to be mixed. Nevertheless, there were notable positive clinical trial results. These represent potentially important building blocks for the industry when/should these medicines receive regulatory approval for commercialisation over the coming year. While earlier-stage, unprofitable companies struggled as investors increasingly agonised over cash burn and attempted to calculate cash runways in the context of a much more discerning funding environment, generally the sector's commercial-stage companies fared much better. Their defensive growth characteristics and M&A activity – both real and anticipated – attracted investor interest.

Global Blood Therapeutics, Turning Point Therapeutics and Vertex Pharmaceuticals were among the top individual absolute contributors to performance; NanoString Technologies, Valneva and Evotec were among the main individual absolute detractors.

In terms of relative performance versus the benchmark, Global Blood Therapeutics, Illumina and Biohaven Pharmaceutical Holding were the largest individual positive contributors; NanoString Technologies, Valneva and Amgen were the largest negative contributors.
Six holdings – Biohaven Pharmaceutical Holding, Turning Point Therapeutics, Global Blood Therapeutics, Diurnal Group, Myovant Sciences and Horizon Therapeutics – were acquired during the period. This brought the number of portfolio investments acquired since the Fund's launch in 2013 to 39.

Market Review

It was a difficult start to the new calendar year for growth stocks in early January. The 10-year US Treasury yield surged as investor fears mounted that the Federal Reserve, perhaps increasingly behind the curve in managing inflation, would need to raise interest rates faster and harder than the market had been expecting. While the price action for growth stocks during the month, including biotechnology, seemed terrible, it felt to us that prices were being forced by commodities, quantitative and derivative-trading strategies, perhaps at the margin forcing panic-selling from retail investors, but with only relatively modest underlying volume substance to the moves. Nevertheless, the price action left biotechnology investors, particularly those relatively new to the sector or focused on very early-stage companies, reeling and possibly more despondent than they were at the end of 2021.

The difficult start to the year for equities continued in February. Concerns over the macroeconomic outlook were overtaken by the growing geopolitical crisis in Ukraine after Russia's invasion, causing a surge in energy prices. Sentiment towards the biotechnology sector deteriorated a little further during February following a string of disappointing clinical updates, including one for portfolio company Synairgen, whose COVID-19 therapeutic failed to differentiate from the standard of care for patients hospitalised with COVID-19 pneumonia. However, on balance, the sector's leading commercial-stage companies announced constructive financial results for Q4 2021 and offered guidance for the coming year in line with expectations. This was reassuring given high-profile disappointments elsewhere, most notably in the technology and consumer discretionary areas.

While both the biotechnology sector and the broader market started March weakly, continuing the trend in place since the start of the year, the last two weeks of the month were characterised by a robust rally. Although this seemed to lift investor sentiment, most continued to be wary, concerned the move higher could be just a temporary bear market rally, driven more by quantitative strategies responding to short-term oversold technical trends and excessively bearish positioning, rather than reflecting a recovery in the long-term bull market for risk assets.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Biotechnology Fund continued

Market Review continued

Indeed, the brief rally of the last two weeks of March was given short thrift in April. Equities seemed to capitulate in the face of increasingly hawkish messaging from members of the Federal Reserve that indicated a preparedness to raise interest rates faster and more aggressively than the market had started to feel comfortable with. Within the biotechnology sector, clinical development and regulatory news flow remained mixed. Any hint of companies failing to deliver pristine clinical trial results, reporting unexpected results delays or announcing extended timelines for regulatory interaction was typically met with punishing selling. The effect was most pronounced among earlier-stage, loss-making companies. Investors increasingly worried about cash burn and attempted to calculate cash runways at a time when the capital markets needed for funding were almost completely closed.

The Q1 earnings season started in generally solid fashion for the sector's commercial-stage companies, although even these more defensive quality-growth names started to roll over in April. This was presumably on profit-taking following their relative outperformance year-to-date against a rapidly deteriorating macro backdrop. These stocks were also vulnerable due to crowded positioning among specialist investors, giving short-sellers an easy target, with seemingly no real buying interest anywhere to be seen.

The broader equity market and biotechnology sector capitulation of April seemed to have washed out in May. Early-month follow-through was met by modest but sustained buying interest over the balance of the month. With no significant shifts in market perceptions or expectations for the various macroeconomic issues weighing on investors, an uneasy peace emerged in May. This allowed investors to draw breath and consider their circumstances in an investment environment that had changed dramatically since the start of the year. Investor sentiment towards the biotechnology sector was lifted modestly by a handful of M&A announcements – most materially, Fund holding Biohaven Pharmaceutical Holding was acquired by Pfizer for $11.6bn. However, the overall mood remained grim, with share prices still struggling to react positively to constructive news flow and outsized share price falls in response to anything even vaguely controversial or disappointing.

The broader equity markets resumed their downward slide in June on deteriorating macroeconomic conditions. However, the biotechnology sector held up better, with washed-out investor sentiment improving at the margin by a string of more constructive clinical development updates across several smaller companies but, perhaps more importantly, by additional M&A activity, realised and rumoured. During the month, portfolio company Turning Point Therapeutics announced its acquisition by Bristol Myers Squibb for $4.1bn. Additionally, the financial press reported that Merck & Co. was evaluating a bid for Seagen, one of the sector's largest, more established commercial-stage companies. The Merck-Seagen speculation served to increase investor interest across a range of revenue-generating biotechnology companies.

In July, the broader equity market firmed up on expectations that peak inflation may have been reached and hopes that, having caught up with inflation, the Fed might moderate the pace of interest-rate rises in H2 2022 to avoid recession. Risk appetite returned at the margins, helping the biotechnology sector to build on the previous month's relatively strong performance. Companies at the smaller-cap and earlier-stage end of the spectrum performed particularly well, although this move seemed to us to be driven by short-sellers covering their sales by buying back stock against a lack of supply. Indeed, the performance burst came from just a few trading sessions at the beginning of the month on thin trading volumes. Performance appeared to fade again towards month-end.

During the month, drug pricing reform came back onto the agenda in Washington following the Biden administration's efforts to pull together the Inflation Reduction Act (IRA). Investors started refreshing calculations on the potential impact of proposals that included direct government negotiation for certain types of big-budget older drugs and inflation-benchmarked restrictions on price increases. With the proposals rehashing ideas from previous years, the market seemed to view them as well quantified and modest in their potential negative impact on the relevant companies (mostly large pharmaceutical company names and large commercial-stage biotechnology companies). In our opinion, their potential negative impact pales versus challenges to growth and profitability from an intensifying period of patent expirations over the coming decade whose impact is already reflected in future earnings estimates.

While the start of August for biotechnology continued the same dynamic, with the short-covering and algorithmic trading-affected equity market enhanced by some relatively high-profile positive clinical development and M&A news flow, the sector again ran out of momentum and reversed from the middle of the month, as investors contemplated a renewed hawkish tone from Fed Chair Jerome Powell at the Jackson Hole meeting toward the end of the month. While positive clinical development and news flow from some of the sector's higher-profile companies – Alnylam Pharmaceuticals announced a positive outcome for its cardiovascular medicine Onpattro; Karuna Therapeutics announced positive clinical trial data for its new schizophrenia medicine; and sickle-cell disease specialist and Fund holding Global Blood Therapeutics announced its acquisition by Pfizer for $5.4bn – were welcomed as underpinning fundamental value creation, the short-term fortunes still seemed heavily dictated by the worrying macroeconomic picture. Both the global energy crisis and the broader inflation picture, and indeed central banks' response to it, continued to prove stubbornly unhelpful for risk assets.

In September, for the third month in a row, the sector started strongly but did not take long to reverse course in line with a broader equity market that continued to struggle in the face of central bank tightening and a deteriorating macroeconomic outlook.

The month again saw broadly positive fundamental news flow for the biotechnology sector. Regeneron Pharmaceuticals reported robust clinical data on a new formulation of its key ophthalmology medicine Eylea that arguably rejuvenates that franchise over the short and medium term. At the end of the month, Biogen surprised the market with what looked to be a relatively clean outcome for the much anticipated clinical data from its second Alzheimer's disease medicine partnered with Eisai – we remain sceptical about the clinical benefit shown by this class of medicine so far; in our view, the benefits are marginal. With continued elevated daily volatility and excessive share price moves indicating awkward (crowded or consensus) positioning around binary news flow events, such as clinical data and regulatory decisions, the dedicated biotechnology investment community, especially long/short funds, continued to have a frustrating and difficult time of things.

October was a confused month for biotechnology. While smaller-cap, more speculative names rallied toward the end of the month in anticipation of a Fed pivot – messaging indicating the US central bank's intention to back away from its the aggressive path of interest-rate increases – at the early November meeting of the Fed's Open Market Committee, the larger-cap commercial stage names with 'boring' defensive characteristics also climbed later in the month on the back of quarterly results in line with investor expectations; the latter were perhaps the beneficiaries of the mild investor panic gripping the consumer technology space. Although the Fund benefited from its fifth acquisition in the calendar year to date after Myovant Sciences was acquired by Sumitomo for $2.9bn, it was the performance of the larger-cap commercial names, in particular Gilead Sciences, Amgen and Moderna – all major benchmark constituents and all up 20–30% over the month – that drove significant relative underperformance for the Fund versus the benchmark. The earnings season for biopharmaceutical companies was perhaps the strongest of all the healthcare verticals, reminding investors of the non-discretionary nature of pharmaceutical drug consumption, as well as the fact that the industry is well-insulated from the inflationary and supply-chain issues seen elsewhere.

An uneasy calm seemed to develop through November. Equity investors looked, albeit without much anticipation, to their favourite macroeconomic indicators on inflation and jobs, as well as commentary from Fed members, for signs that cautious positioning in defensive sectors should be re-evaluated. An emerging and colourful cryptocurrency scandal seemed to take the pressure and focus off the simmering concerns facing riskier equity asset classes. At the margin, though, we detected continued trading to realise liquidity, which felt seasonal in nature rather than anything more. The larger-cap commercial stage biotechnology names held up remarkably robustly during the month.

Combined with the anaemic performance of smaller-cap, more speculative names, this suggested that, moving into year-end, the market was comfortable with more defensive positioning, given high inflation, the Fed being seemingly determined to raise rates further, a tight US jobs market and doubts over the resilience of US earnings in the face of slowing growth, perhaps even a recession.

The calendar year ended in muted fashion in December. Bruised and despondent investors seemed largely content to sit on their hands while taking liquidity at the margins when and where it was to be found. The major biotechnology news of the month was Amgen confirming its intention to acquire Horizon Therapeutics for $28bn. As a sizeable portfolio investment, the latter contributed to the Fund's relative outperformance versus the benchmark to close the year out.

Fund Activity

The Fund was positioned defensively over the year, with a continued bias towards larger, diversified earnings and revenue growth-stage companies. While the Fund fell in absolute terms, its relative performance was constructive. Correct top-down positioning was complemented by good stock-picking overall, in particular the avoidance of all but a handful of company-specific clinical development and regulatory setbacks and disappointments during the period.

The acquisitions of six Fund investments were announced during the period: Biohaven Pharmaceutical Holding, Turning Point Therapeutics, Global Blood Therapeutics, Diurnal Group, Myovant Sciences and Horizon Therapeutics.

Material positive developments elsewhere included arGEN-X announcing successful outcomes to clinical studies investigating, separately, a new formulation and a new indication for the company's main asset, Vyvgart. Elsewhere, Bavarian Nordic experienced increased demand for its smallpox vaccine Jynneos. The vaccine also provides protection against the monkeypox virus – several countries suffered monkeypox outbreaks in 2022. In addition, French-Austrian vaccines company Valneva received EU regulatory approval for its COVID-19 vaccine.

The Fund continued to benefit from avoiding the high-profile mRNA-technology names Moderna and BioNTech. Their valuations – which we think remain excessive – continued to fade as the world seemed to move on from the coronavirus pandemic. Interest in and appetite for repeated vaccine boosters subsided as more benign variants emerged and amid still early and unconvincing updates on additional applications of the technology.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Biotechnology Fund continued

Fund Activity continued

The most material negative development for the Fund came from NanoString Technologies. Its share price performed poorly on operational execution missteps for its core product in the exciting new research application referred to as spatial biology. Owning Valneva also hurt. Although, as noted above, it received EU regulatory approval for its COVID-19 vaccine, the EU stepped away from fulfilling its large purchase commitment of the company's vaccine due to the waning threat from the virus. Elsewhere, not owning large benchmark constituents Amgen and Gilead Sciences hit the Fund's relative showing. Their share prices surged in October and November, along with those of other major pharmaceuticals companies. Synairgen was also a detractor. As reported earlier, its COVID-19 therapeutic did not differentiate from the standard of care for patients hospitalised with COVID-19 pneumonia. Lastly, Summit Therapeutics weighed on performance after its strategic reset failed to inspire the confidence and interest of the market.

Generally, the share prices of the Fund's early-stage unprofitable clinical development-stage companies performed poorly with the deteriorating macroeconomic backdrop. Portfolio turnover for the period was relatively low by historical standards, reflecting the portfolio having been, in our view, correctly positioned entering the period, and remaining appropriately set for current conditions to continue in the near term.

Market Outlook

We have a constructive outlook on the biotechnology sector for 2023. We believe a reasonable base-case expectation for investors should be a similar pattern of relative performance to that seen in 2022. It feels to us that the macroeconomic headwinds that have undermined risk assets over the past two years are easing. The inflation picture is perhaps moderating, and the market is now more comfortable, or least better aligned, with the Federal Reserve's interest rate strategy.

Notwithstanding the early short-term global economic growth risk from the disruptive effects of China's COVID-19 surge following its government's abandonment of its zero-Covid strategy, US and European consumers continuing to cut discretionary spending as energy and food inflation hit domestic budgets, and possible manufacturing indicator weakness as excess inventories built up across global supply chains are drawn down, it feels as if deteriorating investor risk appetite might be bottoming out. However, the question remains where to deploy equity capital, given elevated interest rates, a tight US employment market and doubts over corporate America's earnings resilience in the face of slowing growth and perhaps even a recession.

In such a stagflationary environment, we expect the defensive growth qualities of the larger commercial-stage biopharmaceutical companies to remain attractive. The challenge for investors at the start of 2023, however, is that the share prices of diversified earnings-companies have already moved aggressively; they no longer trade at the significant valuation discounts to the broader market that they have in recent times. Without multiple strong new product cycles to drive material earnings revisions, it is unclear how much higher the share prices of these larger companies can go. They face a looming wave of patent expirations in the second half of this decade that will cause more than $100bn worth of combined industry product sales to be lost to generics. This development will naturally start to compress multiples.

With the deeply unprofitable early-stage technology platform and clinical development-stage space still congested in competition terms, as well as suffocated by a far more discerning capital markets environment, we believe appropriate positioning continues to be a bias towards revenue growth-stage companies. We believe selective ownership of a handful of clinically and financially de-risked later-stage clinical development-stage companies is also appropriate, at least for the time-being.

We believe well-capitalised commercial revenue-growth or late-clinical-development-stage companies remain best positioned to create value for investors. This view is based on several factors: industry R&D productivity remains strong as novel tool kits are deployed with greater competence against increasingly better-understood complex biology; multiple pipeline within a product-type growth opportunities positioned for bootstrap growth and profitability; a still-constructive, though not always predictable, regulatory agency in the form of the US Food and Drug Administration (FDA); clarity on the medicine-pricing environment after the recently passed Inflation Reduction Act in the US; and significant M&A optionality, as larger companies feel the pressure building to replace product revenues expected to be lost to patent expirations.

The Fund remains agnostic to therapeutic areas and technology modality. However, as we look into 2023, there will be some important milestone regulatory events for medicines based on some of the newer technology approaches, such as gene therapy, which could prove important in shaping the direction, debates and perceptions around the biotechnology industry over the next few years.

Following an active risk-managed approach, we continue to invest in those companies that have, in our view, the best people using the best technologies to develop the best new medicines.

Healthcare Team
Polar Capital LLP

January 2023

China Stars Fund

Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned -19.4% in 2022, outperforming the MSCI China All Shares Net Total Return Index, which returned -23.6% (all figures in US dollar terms).

To describe 2022 as an eventful year would be a massive understatement. War broke out in Ukraine, escalating geopolitical risk and disrupting the global energy market; inflation surged; central bankers hiked rates aggressively and exited QE; the cost of capital, an almost forgotten financial concept, finally made a comeback; China stuck stubbornly with its zero-Covid policy for too long; Chinese growth slowed and consumer confidence collapsed; frustrated students and citizens bravely protested; Chinese policymakers finally listened and made a swift u-turn.

Against this challenging backdrop, the portfolio fared poorly in absolute terms despite its outperformance against the broader market. The top contributors to relative performance were 51job, China Lodging Group and China State Construction Development Holdings; the biggest detractors were China Meidong Auto Holdings, Bilibili and Zhejiang Heda Technology.

51job, a leader in online recruitment and HR services, completed its management-led privatisation during the second quarter and delisted from the NASDAQ. The company had been a core investment in the portfolio since the Fund's launch. We are disappointed we cannot be a part of its next stage of growth, but we wish CEO Rick Yan and the company all the best.

China Lodging Group, now named H World Group, is the country's best-run hotel operator in our view, with a strong portfolio of brands in the premium segment. Despite the zero-Covid policy, investors have been looking through to the post-Covid recovery. We expect a strong 2023 and 2024 rebound, with significantly enhanced profitability, given about 20–30% of China's hotel supply has exited the market over the past three years. H World Group is a large position.

China State Construction Development Holdings, an exterior engineering solution provider, performed well during the year. It continues to deliver stellar growth and improved its profitability through a successful restructuring. It is currently a mid-size holding.

China Meidong Auto Holdings, a best-in-class luxury car dealership run by an excellent owner/operator, dropped significantly as investors became concerned about its short-term growth. With the help of hindsight, Meidong's valuation was too high entering 2022; we should have trimmed the position significantly more given the highly cyclical nature of the business. That said, investors should now look forward to its cyclical recovery in 2023. Meidong is a mid-size holding.

Bilibili, a video-based online community popular with China's Generation Z, performed poorly as its pre-profit nature made it vulnerable in the current market environment. We exited the position as we saw better opportunities elsewhere.

Zhejiang Heda Technology, a smart water solution provider, suffered from delayed project deployment. There were signs in the fourth quarter that these delayed projects are finally coming to fruition, which should boost the company's growth in 2023 and improve its cashflow conversion. Heda is a small position.

Market Review

Chinese stock markets fell materially in 2022, together with all other major global asset classes. The MSCI China All Shares Index's 12-month forward earnings multiple contracted from 13x at the beginning of 2022 to 11.5x as the year ended, an 11.5% depression compared to the net total return of -23.6% by the index. This derating was primarily driven by the global sell-off in risk assets and China's zero-Covid policy.

Fund Activity

During 2022, there were a few noteworthy new positions and exits.

We re-established a position in China Lodging Group as it is a major beneficiary of the economy's reopening. We bought Tingyi Cayman Islands Holding, a food and beverage company with strong free cashflows and a compelling valuation. We also added Jiangsu Hengli Hydraulic, a rising domestic champion in hydraulic components and systems, Ctrip.com International, a leading online travel booking site that should benefit materially from the resumption of outbound tourism, and Hongfa Technology, a global leader in electric relays with high growth potential in supplying the electric vehicle market.

We exited positions in Yunnan Baiyao Group, Haier Smart Home, Guangdong Kinlong Hardware Products and Hainan Meilan International Airport, as we found better opportunities elsewhere for the capital. We also exited 51job after it completed its management-led privatisation.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

China Stars Fund continued

Market Outlook

After the 20th Party Congress in October, President Xi secured his third term and a new generation of top leaders took their places. The attention of the new leadership now turns to managing and boosting the economy and mending international relations.

The greatest overhang on growth and markets had been the country's increasingly costly and unpopular zero-Covid policy. After the Party Congress, we were encouraged to see a swift and decisive change in late November. The path to an early 2023 exit from COVID-19 is now clear. We believe this will boost consumer and business confidence. We also expect more stimulus and monetary policy to stay accommodative.

In our view, Chinese equities are currently valued attractively in both absolute and relative terms. The economy's reopening and further easing policies should lead to a robust growth recovery. This may be amplified by strong operating leverage, as many companies have drastically optimised their cost base.

Three themes stand out: reopening beneficiaries, Big Tech mean reversion and industrial upgrading. The exit from COVID-19 will unleash a tremendous amount of pent-up consumption power, especially in leisure, travel, and food and beverages. We believe the major internet companies are well placed to re-rate significantly higher. The regulation cycle has ended, and they may enter a strong positive earnings cycle. Meanwhile, the powerful trends in the adoption of factory automation and rising penetration of electric vehicles will continue, and we still see attractively valued stocks capable of delivering high growth.

While the rest of the world is zigging, China is zagging in terms of the policy cycle. With trough valuations and a positive earnings revision cycle, we are confident our portfolio companies will continue to deliver strong earnings growth, while they are also trading at material discounts to their intrinsic values. We believe the portfolio is well-positioned to deliver good performance in 2023.

Thank you for keeping your eyes on the horizon.

Emerging Markets and Asia Team

Polar Capital LLP

January 2023

Emerging Markets Stars Fund

Fund Performance

In 2022, the Fund (Class I US Dollar Accumulation Shares) returned -28.1% compared to -20.1% for the benchmark, the MSCI Emerging Markets Net Total Return Index (in US dollar terms), a frustrating year for us.

As a growth and quality manager with a strong focus on sustainability, it was always going to be difficult to have good absolute and relative performance in a year as extreme as 2022 turned out to be. Having said that, we have still been surprised by the magnitude of the share price drops we have seen in some of our holdings on the back of either falling out of favour in the environment, being considered risky geopolitically, as happened with a number of our Chinese and Taiwan investments, experiencing slower growth or having negative margin surprises.

The Fund remains in the top-10 percentile since its inception in June 2018, though 2022 was hard on our longer-term track record. We have some hard work ahead to make sure we are back in the top 5% where we have been historically.

The damage to relative performance was very much in Q1, with the rest of the year a relatively poor value/anti-growth year. The market was surprised by the Fed rate hike cycle as well as, of course, the Russian invasion of Ukraine and the follow-on implications for inflation and geopolitics, as well as a further hit on the technology cycle on the back of the semiconductor war.

In terms of sector performance, we saw a -400bps negative selection effect (stock-picking), while country-wise we saw a -579bps contribution. This underperformance came more or less entirely from our weakest five or six stock picks. On the plus side, this implies a large part of the portfolio has been performing well, relatively. We believe this is down to our underlying quality and sustainability mindset.

The positive sector perspective was concentrated in the IT and communication services sectors (e-commerce), with weak performance in Korea and Taiwan. China was also hit hard, but we managed to navigate this relatively well, ending up with a positive contribution to relative performance from our China exposure. The other key positive relative contribution came from India and our overweight was a positive driver. Finally, having relatively little exposure to Russia in the early part of the year – and managing to exit fully before its invasion of Ukraine on 24 February, the country's assets being frozen and it being kicked out of the emerging markets benchmark – gave us a positive relative performance contribution.

Market Review

The one area that saw positive returns was 'dirty' oil and coal. Even fixed income in safe haven countries did not give any protection as a capital preserver. Anything with even the smallest element of duration risk was extremely discounted. The main headlines globally were about the Fed rate hike cycle, the aim being to bring out-of-control inflation back in line. We can add very high levels of geopolitical risk on the back of the Russian invasion of Ukraine, the addition of risk to the already tense situation between the US and China around trade and technology and, of course, China and Taiwan. It peaked in late September / early November when Nancy Pelosi, the US Speaker of the House, visited Taiwan, China's President Xi secured his third term and the US mid-term elections took place. All of these events were spiced up with a technology down-cycle, China's zero-Covid policy and a heated election in Brazil where Luiz Inácio Lula da Silva returned to power.

Fund Activity

On the back of Russia/Ukraine, we significantly increased our exposure to the so-called 'green metals' – commodities needed for the transition into a renewable energy infrastructure. We already had strong copper exposure for a long time but we saw this as an inflection point to add exposure to lithium and rare earth metals. The market sell-off gave us what, in the future, we will likely look back at as an attractive entry point. Towards the end of the year we reduced our relative overweight in India and added to China, thereby reducing the underweight we had been running in China for quite some time.

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, geopolitics and an aggressive extrapolation of the current down-cycle in the IT sector. Therefore, we see a strong valuation case for our portfolio over the next 6–18 months and feel the sequence of events that will lead to a return of absolute and relative performance in the portfolio will be a combination of inflation fear rolling over, reduced geopolitical tension (we believe both China and the US will become more pragmatic around their policies towards each other) and a cyclical up-turn for the IT sector.

Emerging Markets and Asia Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

European (ex UK) Income Fund

Fund Performance

The Fund (Class I Sterling Accumulation Shares) returned 7.3%, outperforming its benchmark, the MSCI Daily Net Total Return Europe ex UK Index, which returned -12.6%, in sterling terms.

The top individual relative contributors to performance were TotalEnergies, BIC, Cia de Distribucion Integral Logista, Munich Re and NOS. The top individual relative detractors were Novo Nordisk (not owned), Deutsche Post, Tele2, Assa Abloy and Brenntag.

Market Review

2022 can be summarised as the year inflation proved not to be transitory. The US Federal Reserve's pivot to monetary tightening in late 2021 was followed by a steady hawkish path that was consistently underestimated by the market. This produced dramatic moves in financial asset prices, given investors were used to a low-interest-rates-forever mindset and abundant liquidity. Traditional 60/40 strategies performed very poorly, as both bonds and stocks fell together to reflect the new inflation reality. The ability of bonds to act as a diversifier, particularly against the most expensive parts of the equity market, was compromised by the severe negative real yields of many of these assets.

In February, the world was rocked by the tragic invasion of Ukraine by Russia, which was itself swiftly hit by unprecedented economic and financial sanctions by the West. Most European-listed companies have negligible direct exposure to Russia. As a result, the effect on stock markets was more systemic (the energy cost impact on inflation and economies) rather than idiosyncratic for single stocks. It has taken a terrible war to make Europe reassess its complacency around defence and energy security. Germany quickly moved to announce it would materially hike defence spending to the 2%-of-GDP NATO target.

The European Central Bank (ECB) became more hawkish in May, and in December even the Bank of Japan eventually started to move away from the extremes of unconventional monetary policy via a small tweak to its yield-curve control policy. The move towards tighter monetary policy was not without issues, with the ECB launching an anti-fragmentation tool in the summer and the Bank of England stepping in to support the gilt market in the autumn. The ECB's balance sheet continues to shrink due to falling TLTRO balances (cheap loans to the banking sector). Our impression is that ECB hawks will simply end up with more QE if they overplay their hand at this point. A more gradual tightening approach is clearly warranted in the macro context of the Eurozone.

Earnings in 2022 were generally more positive than feared. Sales often surprised on the upside, given markets were used to a low-inflation regime and many companies were able to quickly raise prices in a more inflationary backdrop. The unwind of many of the oddities of the pandemic and pandemic policy responses has increased the unpredictability of events. There were signs of more profit warnings in the second half of the year.

While the pain in equity markets in 2022 was mainly about deratings from historically high valuations, we expect 2023 to be more about earnings. We think companies able to protect margins will stand out more ahead.

The year ended on a slightly more upbeat footing, with December seeing positive developments in three of the main areas of macro concern in 2022: European gas prices fell materially due to mild weather; the Eurozone inflation print was lower, and below consensus; and China continued to move away from its zero-Covid policy. We remain constructive on the European market, because we see relatively limited further downside to sentiment or valuations, while there is positive asymmetry to most of the current challenges over the medium term. The region held up well in 2022 given all the challenges thrown at it, suggesting a turn in the relative outlook after such a dire performance since the global financial crisis.

Fund Activity

In January, we started a position in the Swiss testing business SGS. The shares had pulled back into our valuation range as part of the selloff in quality stocks. SGS has a leading position in the TIC (testing, inspection and certification) industry, an area with an attractive long-term growth profile. Meanwhile, sector growth prospects are complemented by a management team focused on future margin improvement and an ability to pass price rises on to end customers. The starting dividend yield of 3.1% looked compelling to us in the context of consensus estimates of a 7% compound annual growth rate in earnings per share.

Within non-life insurance, we switched our position in AXA to Zurich Insurance Group. Both businesses are non-life-focused and performing well operationally. We see Zurich as a higher-quality business due to its higher return on equity, low earnings volatility and strong balance sheet. AXA has been taking steps to improve its business mix over the past decade but remains a riskier proposition, in our view, given the ongoing turnaround of its acquired XL business. Zurich has been experiencing positive pricing tailwinds. We expect this to drive mid-single-digit dividend growth from an attractive 5% dividend yield starting point.

We sold Red Electrica, the Spanish electricity grid, in January. The shares rallied from a low valuation early in 2022. We have become increasingly concerned about political risk within the utilities sector. The energy crisis is prompting political interference to protect consumer bills. The European utility sector structure is, frankly, a mess. The regulated grid businesses have regulated asset bases that are remunerated based on allowed returns. These have steadily fallen as local government bond yields have fallen to a level that makes the regulated grid operators unattractive in the context of political and long-term technological risk. Elsewhere in the utility value chain, we believe the retail supplier businesses are worthless in a no longer truly liberalised energy market of pricing caps. This has been demonstrated by the debacle of supplier bankruptcies in the UK.

In March, we bought back into German chemical distributor Brenntag. The share price had fallen, and we became more confident in the management team's ability to execute its strategy to boost growth and restructure. Despite pandemic headwinds, the company has demonstrated its resilient business model and strong pricing power. In addition, robust free cash flow generation has allowed the group to continuously increase dividends since its listing.

In May, we sold our position in consumer goods giant Unilever. We switched Unilever for luxury conglomerate LVMH, in doing so adding more exposure to higher-end consumers. The broad sell-off in quality stocks brought this name into our valuation range. The group has a strong, diversified portfolio of attractive brands and a robust, decentralised business structure.

In April, we sold our position in global brewer Anheuser-Busch InBev. The company's star had faded somewhat from the golden era when it was able to generate and grow cash flows quickly after large-scale acquisitions. We thought management's presentations at recent conferences were less convincing than those of their peers. We still like the beverages sub-sector within consumer staples and continue to look for ideas there.

In July, we started a position in Schneider Electric, the French energy management and industrial automation company. Schneider is the world's largest low-voltage electrical equipment company, the world leader in medium voltage, and the largest player in critical power and cooling systems used in datacentres. It also has a significant presence in industrial automation employed to control factories. At the point of purchase, Schneider was trading on a 2023 earnings multiple of 16x and on an enterprise value (EV)/earnings (EBITDA) level of 13.1x, attractive in absolute terms and a discount to US peers like Eaton and Rockwell Automation, which are trading at 22x P/E and 15.8x on EV/EBITDA, on average.

The Fund had a resilient 2022 as the effects of the pandemic shutdowns and wild stimulus were unwound. We were able to add quality cyclicals to our portfolio in the first half of the year, with fewer opportunities to do so in the second half. This was primarily because inflation was broadening out and expectations of central bank responses gradually escalated. This made us more discerning on both likely earnings outlooks and valuations for incremental ideas.

In December, we decided to sell our position in global consumer staples name Nestlé. The company had an operationally strong year, with its key category exposures proving their defensive characteristics. On a three-year view, we think Nestlé's valuation limits its defensiveness.

ESG

Our approach to ESG has been to try to integrate ESG characteristics in a way that identifies how they will directly lead into financial variables (eg cost-of-capital risk to potentially stranded assets or medium-term top-line evolution). The scale of the challenges for policymakers in both energy security and energy transition became clearer as the year progressed. While there will clearly be handsome rewards for energy innovation, we see political repression of utility incumbents as likely to be an increasing and structural phenomenon.

During the year, the Fund was confirmed as qualifying for Article 8 status under the Sustainable Finance Disclosure Regulation (SFDR). We are pleased with the work we have done to build our own dividend sustainability score, combining a sustainability score with a financial and business model score. We strongly believe that better corporate disclosure will allow us to move to using third-party ESG scores as a sense check for our own scoring.

Our discussions with companies around upcoming principle adverse impact (PAI) disclosures point to many companies needing to catch up. This is understandable given how quickly a variety of ESG initiatives have evolved recently. We remain constructive on the PAIs as an improved basis on which investors can build their own ESG scoring methodologies but also monitor the progress of ESG initiatives over time. We continue to be surprised by the scale of sell-offs related to ESG controversies, not necessarily of stocks we own. We believe this highlights the increased importance of ESG integration to try to identify potential risks, but also to be better able to assess potential opportunities in these big sell-offs.

Market Outlook

The investment outlook has been fundamentally altered by policy responses to both the pandemic and the war in Ukraine. In an environment of elevated inflation, the key challenge for all investors is to deliver positive real returns in a highly uncertain world with many assets at expensive starting valuations. The stability of sales growth and margins will be more appreciated than very high but unprofitable growth. Valuation discipline will be more important in the post-quantitative easing policy era.

Given the current backdrop, stocks with defensive business models and resilient dividend yields appear increasingly appealing versus overvalued growth stocks, vulnerable deep-value sectors and other asset classes offering little yield.

European Income Team

Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Financial Opportunities Fund

Fund Performance

Despite the uncertain macro environment, the financials sector materially outperformed the broad market: the MSCI All Country World Financials Net Total Return Index returned -9.8% versus the MSCI All Country World Net Total Return Index's return of -18.4% (all figures in US dollar terms). Gains in the insurance sector (4.3%) partially offset weakness in banks (-9.4%), diversified financials (-17.5%) and fintech (-32.6%).

The Fund's NAV (Class I US Dollar Distribution Shares) fell 13% over the year. Its relative performance was hurt by its focus on the banking sector and fintech, and an underweight position in non-life insurance.

Market Review

Following a positive start to the year, Russia's invasion of Ukraine in late February precipitated a sell-off in markets, as investors assessed the broader implications for the region and the global economy. Global stock markets largely remained under pressure throughout the remainder of the year. Investors were concerned about a moderating growth outlook combined with hawkish central bank commentary in response to high inflation. These macro concerns were compounded by the extension of Covid-related shutdowns in Chinese cities, as the Chinese government maintained its zero-Covid policy until late in the year.

In the UK, a mini-budget from the short-lived Liz Truss government in September that included £45bn of debt-funded tax cuts led to significant pressure on the pound (sterling fell 4.3% against the dollar over the month) and added to market risk aversion. While the government swiftly cancelled its plan to abolish the top rate of income tax in response to fierce criticism, the damage to its credibility is likely to endure at a time when the UK is particularly vulnerable to changes in capital inflows – the UK's Q1 2022 current account deficit hit a record 8.3%.

Global markets staged a recovery in the fourth quarter. Expectations rose that central banks would shift from a path of aggressive tightening and economies would potentially avoid a hard landing. Global financials were relatively strong over the final quarter: the MSCI All Country World Financials Net Total Return Index rose 14.3% versus a 9.8% rise in the broad MSCI All Country World Net Total Return Index. Financial stocks were supported by the rotation into cyclical sectors, while sentiment was also boosted by a resilient third-quarter results season. Expectations for a pivot in monetary policy were bolstered by evidence of moderating inflation towards the end of the year. This was visible in core goods, as the effects of pandemic-related supply-chain dislocations faded, and housing, where rental prices for newly leased apartments pointed to further falls and shelter inflation represents 57% of core services' consumer price inflation.

Fund Activity

The significant derating in fintech stocks created attractive opportunities for investment, and we gradually increased our fintech allocation to c.13% of the Fund. We added to our core payment holdings Visa and Mastercard. We also invested in Wise, a UK-listed fintech company focused on cross-border transfers and international banking. It increased its FY23 earnings guidance, benefiting from strong volumes and a revenue uplift from interest income generated on £7bn of customer balances. Furthermore, we started a position in Flywire, a US payments and software provider focused on niche areas within education, healthcare, travel and business-to-business that are ripe for disruption and present a significant long-term growth opportunity.

We gradually trimmed our Asian exposure on the back of a more difficult macro environment and delays in the relaxation of Covid-related measures in China. This included selling our position in Bank of the Philippine Islands. However, the abandonment of China's zero-Covid policy following widespread protests toward the end of the period raised the prospect of improved economic activity, and led to a sharp recovery in China and, more broadly, the region. While the Fund had no direct exposure to China, we increased its overweight position in Hong Kong through additions to our holdings in life insurance (AIA Group), banks (BOC Hong Kong), exchanges (HK Exchanges & Clearing) and UK-Asian stocks (HSBC, Standard Chartered and Prudential).

Market Outlook

After a turbulent year that included an energy crisis, high inflation, political uncertainty (the UK being a standout performer in a competitive race), monetary policy shifts and COVID-19 restrictions in Asia, we are cautiously optimistic as we enter 2023. The shift away from a period of ultra-low inflation and interest rates is a major positive for the sector, with implications for long-term profitability and therefore absolute and relative valuations. We expect asset quality to remain resilient in the context of a shallow recession and excess capital to support attractive yields.

The Fund is also focused on finding the most compelling structural growth opportunities in a sector that is seeing a rapid transformation. Following a significant de-rating in 2022, we view numerous opportunities for investment in fintech, where we expect to increase our exposure further.

Financials Team

Polar Capital LLP

January 2023

Global Absolute Return Fund

Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned 0.2% in 2022, taking its return since inception to 31.1%, or 7.0% annualised.

Market Review

We believe the following macroeconomic crosswinds had a significant influence on global markets in 2022:

- Global inflation levels and associated economic reports.
- Central bank interest-rate hikes and global quantitative tightening (QT).
- Russia's invasion of Ukraine and its related global geopolitical consequences.
- Recessionary expectations and corporate impacts.
- The Chinese Communist Party's 20th National Congress and the Chinese government's zero-Covid policy.

The primary driver of market movements in 2022 was the significant increase in global inflation. The lagging effects of the historically loose monetary and fiscal policies used to cushion the blow of Covid-related shutdowns resulted in monetary policy being far too loose for a rapidly overheating economy. Consequently, Western central banks spent much of 2022 attempting to tighten policy.

In December 2021, the US Federal Reserve's 'dot plot' pointed to only three 25bp interest-rate hikes in 2022. According to Deutsche Bank, investors concurred, with futures pricing in 74bp of hikes in 2022. Over the course of the year, expectations of the number and magnitude of rate hikes were continually adjusted upwards as post-pandemic-driven consumer demand met supply chain shortages, much of which was a consequence of the disruption to Chinese supply chains amid the country's zero-Covid policies.

Disruption was elevated to new heights after Russia invaded Ukraine in February, pressuring food and energy prices considerably. This strong demand, coupled with higher energy costs and supply chain challenges, and compounded by wage growth due to tight labour markets, ensured inflation continued to surprise on the upside throughout much of the year. In turn, this led to the need for central bankers to redouble their efforts on controlling inflation to avoid price rises becoming self-perpetuating, as in the late 1970s and 1980s. This reassessment resulted in far more aggressive rate hikes than anticipated at the start of the year.

The dynamics to the left led to a dramatic repricing of financial assets over the course of 2022. With borrowed money suddenly only available at a cost and sovereign debt yielding interest at levels unseen in years, investors began to question their involvement in riskier credits and unprofitable companies. This resulted in substantial declines in equities and bonds. Indeed, according to Deutsche Bank, the S&P 500 suffered its worst annual performance since 2008. Meanwhile, global bonds fell into a bear market for the first time in 70 years. Commodities were one of the few winners of the year, as was the dollar as investors sought a haven and as US interest rates rose more quickly than in other major economies.

Equities declined markedly in H1 2022. The MSCI World fell in five of the first six months, only experiencing respite in March, and returned -20.3% over the six-month period. This performance was replicated in all major markets, with the S&P 500, Eurostoxx 50 and Nikkei falling 20.0%, 17.4% and 7.4%, respectively. Unsurprisingly, high-beta technology stocks were the worst performers, with the NASDAQ 100 declining 29.2%. The most growth-focused part of the technology universe posted truly shocking returns: the ARK Innovation ETF, which invests almost exclusively in such companies, fell a remarkable 57.8% over H1 2022. (All in local currency returns).

These movements were mirrored in credit markets. The rise in interest rates caused a repricing of credit risk, which manifested in the widening of credit spreads. Indeed, the spreads of the CDX North American HY Index and ITraxx European XOver Index increased from 293 bps to 579 bps and 242 bps to 580 bps, respectively, over 1H 2022. Even investment-grade bonds were not immune. The asset class underperformed high-yield debt in the first quarter – its greater duration was a headwind in the face of rising rates. As a result, the only assets to experience positive returns in H1 2022 were generally those tied to the materials and energy sectors. All other major asset classes suffered declines.

Despite falling rapidly over H1 2022, financial markets experienced an extremely volatile H2 that ended with major equity and credit indices being essentially unchanged, on aggregate, over the latter six months. This volatility was largely driven by inflation and other macroeconomic data reports, Fed rate hikes, changes to terminal rate expectations, and recessionary expectations for Western companies.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Absolute Return Fund continued

Market Review continued

The second half of the year began with financial markets climbing in July, driven by an easing of financial conditions. This reversed in August after central banks reiterated their resolve to tame elevated inflation at a time when leading economic indicators increasingly pointed to a weakening outlook. In the US, Fed Chair Jerome Powell made it clear during his annual speech at Jackson Hole that there would be no near-term pivot in monetary policy. Similar action was taken in Europe, as surging food and energy prices, largely caused by Russia's invasion of Ukraine, continued to cause upside surprises in inflationary numbers. In Europe, August was one of the worst months on record for bond markets, while in the UK the pound experienced its weakest month since 2016.

Poor equity and credit performance continued into September, as energy-driven inflationary pressures continued to mount in Europe. In the UK, the pound and gilts had an extremely volatile month. This was largely due to the mini-budget set by Chancellor Kwasi Kwarteng, in which he announced the biggest programme of tax cuts in half a century, funded by borrowing. This led to a technical debacle for liability-driven investment (LDI) products, widely used by pension funds. This forced many pension funds to sell gilts to meet collateral calls, creating a vicious downward spiral in the gilt market that ultimately prompted a £65bn intervention from the Bank of England and played a factor in Liz Truss swiftly giving way to Rishi Sunak as prime minister.

After hitting their lowest point for the calendar year in September, equities moved broadly higher and credit markets narrowed in October. China and Hong Kong were the notable exceptions following economic reports of an ongoing growth slowdown and the 20th Party Congress. The latter featured the confirmation of President Xi and close allies, saw national security stressed over pro-market agendas, and continued commitment to restrictive zero-Covid policies. Western equities continued their move higher in November, driven by inflation readings that undershot expectations for the first time in three months, as well as a speech by Fed Chair Powell hinting at slowing rate hikes in December. Against this backdrop, interest rates fell, credit spreads narrowed and the dollar experienced one of its largest monthly declines on record. Chinese and Hong Kong stocks rebounded from their October lows after demonstrations by Chinese citizens against the zero-Covid policy led investors to increasingly believe in an economic reopening. October and November's risk-on rally in global equity and bond markets reverted to risk-off declines following the Fed meeting on 14 December. December also brought a shift from optimism to concern surrounding China's relaxation of its zero-Covid policy, with soaring Covid-19 cases threatening operational disruptions. Gold extended its sharp November rise amid continued global inflation and heavy buying by the Chinese state.

Fund Activity

The Fund was not immune to the impact of rising interest rates and widening credit spreads on convertible valuations throughout 2022. However, we used a variety of techniques to protect capital and deliver a positive return over the year, despite significant declines in global equity and fixed-income markets.

Name	Ticker	2022 Return (%)[1]
Nasdaq Composite	CCMP	-33.1
MSCI World Net Total Return	NDDUWI	-18.1
Global High Yield Bond	LG30TRUU	-12.7
Global Investment Grade Bond	LEGATRUU	-16.3
Refinitiv Global Focus Convertible	UICBFOCU	-19.1
Polar Capital Global Absolute Return Fund[2]	PCGARIU	0.2

Source: Bloomberg as at 30 December 2022.

1 All in dollar terms.

2 Class I US Dollar Accumulation Shares.

We believe that this result, achieved amid historically challenging financial conditions, evidences the Fund's ability to generate positive returns regardless of macroeconomic crosswinds. Moreover, during our 10 years managing absolute return strategies at Polar Capital (four for the Polar Capital Global Absolute Return Fund and six for the Polar Capital ALVA Fund, between 2010–16), we have never suffered a loss-making year. We attribute our success this year to the following, illustrating the flexibility of return-generating strategies that have powered our 100% positive return record.

- **Primary focus on credit quality:** our investment process places primacy upon capital protection. Fundamental credit analysis is at the core of our approach, as reflected by our average credit rating of BB+ and our exclusion of any company rated below B-, either internally or externally. This process helps explain why the team has not had any insolvencies or bankruptcies in any of its investments in any of the funds we have managed in our 12 years at Polar Capital.
- **Risk control:** The team stresses the portfolio's exposures daily and constantly assess the Fund's main risk exposures, whether they are equity, credit or interest-rate-related. The Fund employed some interest-rate and credit-spread hedges to mitigate the adverse effects of quantitative tightening on global fixed-income markets. Additionally, over the period, the Fund maintained a modest equity sensitivity, averaging 2.5%. We were able to increase and decrease the equity sensitivity to take advantage of volatility by participating in equity rallies and minimising equity correlation in periods of decline.

- **Put profile trades:** The Fund took advantage of falling equity prices through our put profile investment category. An example of this is Remy Cointreau, where the Fund profited from a downward directional equity move.
- **Equity hedged trades:** The Fund was able to take advantage of high market volatility through names in the equity hedged category, which was the highest contributor to overall Fund performance. In fact, the Fund's position in Middleby, one of our largest contributors over the period, was able to capitalise on the high realised volatility in the equity. We anticipate this investment category will be a key contributor in the coming months, given continued high equity market volatility.
- **Asymmetry of convertible profiles:** The team seeks to invest in convertible bonds that offer greater participation in the upside than downside for a given move in the underlying equity. Over the longer term, this ensures returns are compounded from a higher base. While some names in this category, such as Veritone, were among the Fund's largest detractors, others such as Vertex Energy were among the Fund's biggest contributors.
- **Income and defensive profiles:** Given their more bond-like nature, investments in this category are typically more sensitive to credit spreads and interest rates than equity movement. This served as a headwind in 2022 (Sofi Technologies and Guardant Health). However, with many good-quality credits now trading at attractive yields, we view this category as having considerable potential in 2023.
- **Team experience:** The team is one of the most experienced convertible teams globally, having managed absolute and relative return strategies for many years at Polar and elsewhere.

Overall, the Fund was able to adjust to unfavourable market conditions and deliver a positive return in a year in which many absolute return funds failed to do so. We believe this demonstrates the Fund has the requisite investment strategies to defend capital regardless of market conditions. Moreover, we remain optimistic about the opportunities we now see in 2023.

Market Outlook

2022 was characterised by historic declines in fixed-income and equity markets. As convertibles are a hybrid equity and fixed-income asset class, this made for headwinds from both markets. However, with interest rates having risen materially, credit spreads at much wider levels and equities off their peaks, convertibles currently offer one of the most interesting mixes of yield and equity appreciation potential in many years.

The change in the macroeconomic policy backdrop has significant implications for investors. The reduction in exceptional liquidity provision has ended the 'buy the dip' era that characterised the post-global financial crisis equity market, the longest bull market on record. Similarly, the end of super-normal liquidity has increased the risk-free rate and tightened financial conditions – factors which imply higher corporate bond default rates ahead. These factors suggest traditional investment approaches may continue to struggle in the years to come, given 'easy beta' and 'free carry' are no longer available.

Convertibles have historically been well-placed to address such challenges. Their low duration protects against interest rates and widening credit spreads, while their bond floors provide defensiveness without sacrificing equity upside. Moreover, convertibles offer companies a stable, consistent source of funds when primary market liquidity in other markets declines – a factor we believe will support convertible issuance and opportunities in the year to come.

Consequently, despite the challenges of 2022, we believe the asset class offers both fixed-income and equity investors better risk-adjusted return potential than their native asset classes. As such, we believe convertibles provide an attractive solution to the asset class choice conundrum.

Convertibles Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Convertible Fund

Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned -16.3% in 2022, taking its return since inception to 34.8%. In comparison, the Refinitiv Global Focus Convertible Bond Index returned -19.1% and 20.8% over the same periods, respectively (all in US dollar terms).

Market Review

We believe the following macroeconomic crosswinds had a significant influence on global markets in 2022:

- Global inflation levels and associated economic reports
- Central bank interest-rate hikes and global quantitative tightening (QT)
- Russia's invasion of Ukraine and its related global geopolitical consequences
- Recessionary expectations and corporate impacts
- The Chinese Communist Party's 20th National Congress and the Chinese government's zero-Covid policy

The primary driver of market movements in 2022 was the significant increase in global inflation. The lagging effects of the historically loose monetary and fiscal policies used to cushion the blow of Covid-related shutdowns resulted in monetary policy being far too loose for a rapidly overheating economy. Consequently, Western central banks spent much of 2022 attempting to tighten policy.

In December 2021, the US Federal Reserve's 'dot plot' pointed to only three 25bp interest-rate hikes in 2022. According to Deutsche Bank, investors concurred, with futures pricing in 74bp of hikes in 2022. Over the course of the year, expectations of the number and magnitude of rate hikes were continually adjusted upwards as post-pandemic-driven consumer demand met supply chain shortages, much of which was a consequence of the disruption to Chinese supply chains amid the country's zero-Covid policies.

Disruption was elevated to new heights after Russia invaded Ukraine in February, pressuring food and energy prices considerably. This strong demand, coupled with higher energy costs and supply chain challenges, and compounded by wage growth due to tight labour markets, ensured inflation continued to surprise on the upside throughout much of the year. In turn, this led to the need for central bankers to redouble their efforts on controlling inflation to avoid price rises becoming self-perpetuating, as in the late 1970s and 1980s. This reassessment resulted in far more aggressive rate hikes than anticipated at the start of the year.

The above dynamics led to a dramatic repricing of financial assets over the course of 2022. With borrowed money suddenly only available at a cost and sovereign debt yielding interest at levels unseen in years, investors began to question their involvement in riskier credits and unprofitable companies. This resulted in substantial declines in equities and bonds. Indeed, according to Deutsche Bank, the S&P 500 suffered its worst annual performance since 2008.

Meanwhile, global bonds fell into a bear market for the first time in 70 years. Commodities were one of the few winners of the year, as was the dollar as investors sought a haven and as US interest rates rose more quickly than in other major economies.

Equities declined markedly in H1 2022. The MSCI World fell in five of the first six months, only experiencing respite in March, and returned -20.3% over the six-month period. This performance was replicated in all major markets, with the S&P 500, Eurostoxx 50 and Nikkei falling 20.0%, 17.4% and 7.4%, respectively. Unsurprisingly, high-beta technology stocks were the worst performers, with the NASDAQ 100 declining 29.2%. The most growth-focused part of the technology universe posted truly shocking returns: the ARK Innovation ETF, which invests almost exclusively in such companies, fell a remarkable 57.8% over H1 2022. (All in local currency returns).

These movements were mirrored in credit markets. The rise in interest rates caused a repricing of credit risk, which manifested in the widening of credit spreads. Indeed, the spreads of the CDX North American HY Index and ITraxx European XOver Index increased from 293 bps to 579 bps and 242 bps to 580 bps, respectively, over 1H 2022. Even investment-grade bonds were not immune. The asset class underperformed high-yield debt in the first quarter – its greater duration was a headwind in the face of rising rates. As a result, the only assets to experience positive returns in 1H 2022 were generally those tied to the materials and energy sectors. All other major asset classes suffered declines.

Despite falling rapidly over H1 2022, financial markets experienced an extremely volatile H2 that ended with major equity and credit indices being essentially unchanged, on aggregate, over the latter six months. This volatility was largely driven by inflation and other macroeconomic data reports, Fed rate hikes, changes to terminal rate expectations, and recessionary expectations for Western companies.

The second half of the year began with financial markets climbing in July, driven by an easing of financial conditions. This reversed in August after central banks reiterated their resolve to tame elevated inflation at a time when leading economic indicators increasingly pointed to a weakening outlook. In the US, Fed Chair Jerome Powell made it clear during his annual speech at Jackson Hole that there would be no near-term pivot in monetary policy. Similar action was taken in Europe, as surging food and energy prices, largely caused by Russia's invasion of Ukraine, continued to cause upside surprises in inflationary numbers. In Europe, August was one of the worst months on record for bond markets, while in the UK the pound experienced its weakest month since 2016.

Poor equity and credit performance continued into September, as energy-driven inflationary pressures continued to mount in Europe. In the UK, the pound and gilts had an extremely volatile month. This was largely due to the mini-budget set by Chancellor Kwasi Kwarteng, in which he announced the biggest programme of tax cuts in half a century, funded by borrowing. This led to a technical debacle for liability-driven investment (LDI) products, widely used by pension funds.

This forced many pension funds to sell gilts to meet collateral calls, creating a vicious downward spiral in the gilt market that ultimately prompted a £65bn intervention from the Bank of England and played a factor in Liz Truss swiftly giving way to Rishi Sunak as prime minister.

After hitting their lowest point for the calendar year in September, equities moved broadly higher and credit markets narrowed in October. China and Hong Kong were the notable exceptions following economic reports of an ongoing growth slowdown and the 20th Party Congress. The latter featured the confirmation of President Xi and close allies, saw national security stressed over pro-market agendas, and continued commitment to restrictive zero-Covid policies. Western equities continued their move higher in November, driven by inflation readings that undershot expectations for the first time in three months, as well as a speech by Fed Chair Powell hinting at slowing rate hikes in December. Against this backdrop, interest rates fell, credit spreads narrowed and the dollar experienced one of its largest monthly declines on record. Chinese and Hong Kong stocks rebounded from their October lows after demonstrations by Chinese citizens against the zero-Covid policy led investors to increasingly believe in an economic reopening. October and November's risk-on rally in global equity and bond markets reverted to risk-off declines following the Fed meeting on 14 December. December also brought a shift from optimism to concern surrounding China's relaxation of its zero-Covid policy, with soaring Covid-19 cases threatening operational disruptions. Gold extended its sharp November rise amid continued global inflation and heavy buying by the Chinese state.

Fund Activity

The Fund was not immune to the broader market backdrop of falling share prices, rising interest rates and wider credit spreads. However, the portfolio was able to mitigate some of these headwinds and outperform the convertible bonds asset class.

Name	Ticker	2022 Return (%)[1]
Nasdaq Composite	CCMP	-33.1
MSCI World Net Total Return	NDDUWI	-18.1
Global High Yield Bond	LG30TRUU	-12.7
Global Investment Grade Bond	LEGATRUU	-16.3
Refinitiv Global Focus Convertible	UICBFOCU	-19.1
Polar Capital Global Convertible Fund[2]	PCGARIU	-16.3

Source: Bloomberg as at 30 December 2022. 1: All in dollar terms, 2: Class I US Dollar Accumulation Shares

There were several reasons for the Fund's outperformance in 2022. First, given our bottom-up credit analysis approach, we were selective in our investment choices. This was particularly advantageous last year when credit spreads widened markedly. The Fund's corporate bond holdings held their value more effectively than the index, adding to our outperformance. We believe capital preservation is paramount. This approach is prudent for avoiding credit events as we enter tougher economic times.

Furthermore, several Russian companies have issued convertible bonds in recent years (with a total nominal value of approximately $2.4bn). These convertible bonds fell precipitously when Russia invaded Ukraine, resulting in a material headwind to the broader asset class. While the Fund's index had exposure to some of these convertible bonds, the Fund did not and still does not.

Additionally, again due to our bottom-up investment approach, the Fund avoided taking significant positions in weaker-duration and beta-trade tech names included in the Fund's index, such as Delivery Hero, Okta and MicroStrategy. These names declined meaningfully over the year and provided relative outperformance for the Fund.

In times of broad market decline, as was the case last year, alpha generation is crucial for returns. Meanwhile, the beta trade that had been effective in the generally rising markets since the global financial crisis is no longer effective. The Fund successfully generated alpha in technology throughout the year, outperforming on the way down, as evidenced by the aforementioned active index underweights, while participating in the various rallies throughout the year, as exemplified by an active overweight position in Array Technologies. We believe that our alpha generation in the highly volatile technology sector will continue into 2023 and see various idiosyncratic opportunities to generate both absolute and relative returns.

Moreover, the Fund successfully identified and held multiple out-of-the-money, strong credit bonds of companies we believed were likely takeover targets. These were asymmetric trades that provided the backstop of good credit with the upside of gap-to-par puts. Included in these trades were Global Blood Therapeutics, Avalara and Electricite de France, all of which were acquired and provided significant absolute return and index outperformance for the Fund. We believe there will be similar opportunities in 2023.

Nonetheless the positive contribution of the above-mentioned names was partially offset by the fund's biggest detractors over the period: Basic Fit, MP Materials, Hellofresh, Guardant Health, IAG, Bill.com Holdings and Silicon Laboratories.

Finally, the Fund employed some interest-rate and credit-spread hedges, which allowed for the effective mitigation of unfavourable moves in each, again contributing to positive performance.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Convertible Fund continued

Market Outlook

2022 was characterised by historic declines in fixed income and equity markets. As convertibles are a hybrid equity and fixed income asset class, this made for headwinds from both markets. However, with interest rates having risen materially, credit spreads at much wider levels and equities off their peaks, convertibles currently offer one of the most interesting mixes of yield and equity appreciation potential in many years.

The change in the macroeconomic policy backdrop has significant implications for investors. The reduction in exceptional liquidity provision has ended the 'buy the dip' era that characterised the post-global financial crisis equity market, the longest bull market on record. Similarly, the end of super-normal liquidity has increased the risk-free rate and tightened financial conditions – factors which imply higher corporate bond default rates ahead. These factors suggest traditional investment approaches may continue to struggle in the years to come, given 'easy beta' and 'free carry' are no longer available.

Convertibles have historically been well-placed to address such challenges. Their low duration protects against interest rates and widening credit spreads, while their bond floors provide defensiveness without sacrificing equity upside. Moreover, convertibles offer companies a stable, consistent source of funds when primary market liquidity in other markets declines – a factor we believe will support convertible issuance and opportunities in the year to come.

Consequently, despite the challenges of 2022, we believe the asset class offers both fixed-income and equity investors superior risk-adjusted return potential than their native asset classes. As such, we believe convertibles provide an attractive solution to the asset class choice conundrum.

Convertibles Team
Polar Capital LLP

January 2023

Global Insurance Fund

Fund Performance

The Fund (Class R Sterling Accumulation Shares) returned 23.7% versus 18.4% for its benchmark, the MSCI World Insurance Index (net total returns in GBP terms). Returns from the other comparators were -8.4% for the MSCI World Index, 0.3% for the FTSE All-Share Index and -8.4% for the S&P 500 Index (all total returns in GBP terms).

We were pleased with the Fund's absolute and relative performance last year. The Fund benefited from the defensive characteristics of the non-life insurance sector. But it was also helped by increasing recognition of the materially increased earnings power of our companies. This is due to the combined impact of four years of improving (re)insurance prices and now higher prospective investment returns following the rise in short-term bond yields.

Given the significant movements in financial markets, it is more complicated than usual to attribute the Fund return across the usual drivers: book value growth, price-to-book multiple changes and currency effects.

Despite our companies having defensive investment portfolios (and low investment leverage versus other financials), they were affected by market falls in the first three quarters of the year, although marked-to-market investment losses were somewhat mitigated by a positive fourth quarter after bond yields eased from their highs. For context, the US two-year Treasury yield rose from 0.7% at the end of 2021 to 4.4% at the end of 2022. Overall, we estimate an after-tax loss of around 6% on invested assets in 2022, which, given leverage of 2.5x to shareholders' equity, reduces book values by 14%, all else being equal. We expect this decline to be offset in part by underwriting profits equivalent to 11%, resulting in book values being down 3% over the year.

The Fund returned 24% in 2022, or 17% at constant exchange rates, due to the rise in the dollar versus sterling during the period. Therefore, we estimate the 17% constant exchange return comprised a 3% book value decline offset by 19% from rising price-to-book valuations and a 1% contribution from M&A. The latter followed Berkshire Hathaway's $11.6bn all-cash acquisition of Alleghany Corporation, a long-term top-10 Fund holding. Although price-to-book multiples have increased this year, we believe this is fully justified by the significant rise in the earnings power of our companies. This is discussed in more detail below.

In the end, what drives the Fund's long-term performance is our companies' ability to compound book value-per-share and dividends at an attractive rate over time. Over the 24 years of the Fund, we estimate this metric has compounded at approximately 10% per annum, which is almost identical to the Fund's performance over the same period. Constructing a 30–35 stock diversified portfolio focused on specialty underwriters that can deliver double-digit book value-per-share growth over time remains core to our investment process.

Market Review

Given recent experience, perhaps it is not surprising that each passing year feels like it has again broken climate-related records, alongside a barrage of ever more unusual weather events. 2022 insured catastrophe losses are estimated at c$130bn. Hurricane Ian, which made landfall in September, initially in southwest Florida and, two days later, in South Carolina, was the largest event, representing just under half of these losses. Last year was the fifth year of elevated catastrophes in the past six. Managing and insuring risk is becoming ever more complex, due to rising climate change volatility, a proliferation of cyber threats, increasing jury verdicts and social inflation. In a world of relentlessly increasing risk, the value that the insurance industry provides has never been greater.

Risk continues to be re-evaluated and repriced globally, 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 increased from 3% in Q1 to 11% by year-end. Pricing accelerated throughout 2020: 14% in Q1 2020 rising to 22% by Q4 2020, the greatest increase since the survey began. In 2021, rates again rose by mid/high-teens percentages, resulting in a third year of rate-on-rate increases. Momentum continued into 2022, with rate rises averaging high single-digit percentages despite some tough comparatives. Over the last three years, in each of the last six quarters to Q3 2022 (our last data point), compounded rate rises have been a significant 45–50%.

Reinsurance pricing increases, particularly for catastrophe risk, have lagged price rises in the primary market, despite the abundance of catastrophe losses that have occurred in recent years. Poor profitability can only persist for so long, and, in 2022, we saw the start of a long-overdue turn in the reinsurance market. We were already witnessing meaningful rate rises pre-Hurricane Ian, given a growing demand/supply imbalance that many commentators measure in the tens of billions of dollars (industry analysts Dowling & Partners estimate $50bn-$80bn). Rising general inflation means reinsurance buyers typically want 10–15% more cover at their next renewal just to cover their existing books of business. This increased demand is happening at the same time as a growing number of companies have reduced their risk appetites, with some exiting the market entirely. In mid-September, before Hurricane Ian hit, our base case was for catastrophe reinsurance pricing to rise 15–25% in 2023. Hurricane Ian proved the last straw and pushed a stressed reinsurance market into a dislocated one.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Insurance Fund continued

Market Review continued

About 50–60% of property catastrophe business is placed at the 1 January renewal, with a bias to European and global accounts. Early reports suggest the market underwent a hard reset on 1 January 2023. Risk-adjusted rate increases were a headline-grabbing 20–70%, on average, led by North America at 50%, which had another year of elevated losses in 2022, most notably Hurricane Ian. European rates rose 30–40%, with other regions up 20%+. Howden's Global Property-Catastrophe Risk-Adjusted Rate-on-Line Index rose by an average of 37% on 1 January (versus a 9% rise a year ago), the biggest year-on-year increase since 1992.

Potentially even more significant to prospective profitability was a material change in terms and conditions that led to a wholesale restructuring of reinsurance contracts. Primary insurer retentions have moved significantly higher, putting reinsurers further away from the risk, and policy wordings have been tightened. Reinsurance coverage is returning to focus on core perils such as hurricanes and earthquakes, and less so on wildfires, hailstorms, strikes and civil commotion risks. This momentum will likely continue throughout 2023 (and possibly into 2024), with Japanese risks largely renewing on 1 April, US domestic accounts at the mid-year ahead of the Atlantic hurricane season and Australian accounts on 1 July. We believe this renewal represents the start of a multi-year reinsurance market correction, not the peak.

As a result of the growing optimism over reinsurance rate rises for 2023 and beyond, one might expect new capital to be taking some interest in the abundant opportunities ahead. We saw in past hard markets, notably after the World Trade Centre loss in 2001 and Hurricane Katrina in 2005, a wave of start-ups. This is simply not happening this time around. Those start-ups were typically sponsored by private equity, which is currently showing no appetite for funding balance sheet-underwriting businesses; their attention is focused on capital-light insurance brokers. Capital providers see little reason to roll the dice with Mother Nature. The abundance of losses in recent years, combined with the broad declines in financial markets in 2022, means there are other places to put money to work where they perceive risk-reward profiles to be more favourable.

We entered 2022 expecting book values to grow by low double-digit percentages over the year, as we achieved in the preceding two years. As discussed above, marked-to-market losses led to a short-term book value decline in 2022, but this was more than compensated for by a material step up in the earnings power of our companies. For our portfolio, every 1% increase in investment yield is worth an additional 2% of book value growth. Non-life insurer balance sheets are dominated by cash and short-duration bonds of two to three years, given the need for liquidity to pay claims and the fact companies do not want to double up their underwriting risk with 'exciting' things in their investment portfolios. We had to revise up our 12-month book value growth estimate three times over 2022, from 10%+ at the outset to 16%+ in our last revision in November. This estimate includes an investment return assumption of 4.25%. Many of our companies are reporting new money yields above 5%, so our assumption could well prove too conservative should US short-term bond yields stay at or increase from current levels.

As well as an element of conservatism on the investment yield, we have also assumed no change in underwriting margins. We do expect premium rate increases to continue to exceed loss-cost inflation for the foreseeable future, which would result in higher margins. However, we allow some extra prudence here, given that we expect our overall portfolio to write a little more catastrophe risk in 2023 than in recent years. This is due to the significant rise in pricing discussed above and the dry powder many of our companies continue to have to lean into this opportunity.

Fund Activity

The Fund continues to have a low turnover, and we did not change our overall positioning materially during the period. We sold our holding in Alleghany following its acquisition by Berkshire Hathaway. The proceeds were broadly reinvested including into two small new positions.

Trupanion, a North American pet insurer, has been on the Fund's radar for several years because long-term Fund holding RenaissanceRe Holdings was an early investor in the company. We have attended numerous Trupanion investor events, held after the Berkshire Hathaway AGM in Omaha, and met with management twice in London. We initiated a position following a significant de-rating of the stock; many investors (wrongly, in our view) perceived the stock as more of a growth technology company. Trupanion is well-placed to benefit from a prolonged market tailwind as the very low penetration of pet insurance in the US starts to catch up with other more developed markets. International expansion in countries such as Japan, in partnership with Aflac, another Fund holding, adds further optionality.

In May, we bought a holding in Hagerty. The North American-centric insurer of collector cars has evolved into a global automotive enthusiast brand and is the world's largest membership organisation for car lovers. Whilst Hagerty only went public in 2021, we have observed the company for many years owing to its close relationship with its underwriting partner and investor Markel, a long-term Fund position.

Market Outlook

The reinsurance market dislocation will most likely underpin the ongoing rises in primary insurance pricing, given reinsurance costs are borne by the insurers. After four to five years of premium rate hardening, we have seen an inevitable slowdown in the pace of insurance price increases in recent quarters. However, looking forward, we expect some insurance pricing will re-accelerate, especially for property risk. This will further add to the already abundant underwriting opportunities for our companies.

Rising inflation is a tailwind for insurance demand, as a lot of insurance is priced off asset values, company payrolls and revenues. Therefore, as inflation moves through the system, premium revenues adjust higher. When combined with ongoing premium rate increases, this should result in robust revenue growth for our companies over the next few years. This contrasts with the recessionary fears affecting many other industries. Given these tailwinds, the already excellent underwriting environment is set to improve further. It is a good time to be an underwriter.

Turning to the other side of the balance sheet, the investment portfolios of our companies are highly liquid, with lots of cash and typically two- to three-year-dated bonds, so the rise in short-term bond yields in 2022 is already starting to flow into earnings. More material increases in investment income should come as we move through 2023 and 2024.

The book value growth of our holdings over the 24-year life of the Fund has compounded at c.10% per annum. Recent book value growth, in 2020 and 2021, has been in line with this historical average, which the market valued at the time at a price-to-book of around 135%, similar to the average valuation multiple of the US industry since the Fund's launch. Paying 135% of book value for 11% growth is a cash-on-cash return of 8%. Today, the market is valuing our mid/high-teens expected book-value growth at a US industry multiple of 200%. For simplicity, if we assumed 18% book-value growth ahead, this would be a 9% cash-on-cash return. Therefore, we believe investors are getting more for their money today than they have in recent years. This is even more noteworthy, given non-life insurance is a defensive sector in an increasingly uncertain world.

The Fund's historic 10% book-value growth, if matched by Fund performance, doubles investors' money in around seven years. At a US conference in November, our portfolio manager, Nick Martin, met with Bill Berkley, who founded WR Berkley in 1967. From nothing, he has built a $20bn company with returns that have far exceeded the S&P 500. At the same time, he has generated billions of dollars of wealth for his family and his investors. Bill said that the next two to three years are likely to be some of the best he has seen, based on his 55 years of experience. It is rare to have well-established underwriting profitability, which may well improve further, at the same time the industry is seeing a significant rise in investment returns. Bill noted he is "exceptionally excited about the opportunities for the next few years", which is quite something for an insurance executive renowned for his conservatism.

Looking ahead, we are set to enjoy some of the strongest earnings power in the Fund's history. We look forward to continuing to update investors on the progress of our companies in the coming months and years ahead.

Financials Team

Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Technology Fund

Fund Performance

2022 proved to be a highly challenging year for the technology sector: the Dow Jones Global Technology Index returned -34.8%, giving back most of its gains from 2020 and 2021. This represented the sector's weakest absolute performance since 2008, and its worst relative performance versus the MSCI All Countries World Index since 2002.

The Fund (Class I USD Distribution Shares) returned -39.3% during the year. Its relative underperformance was driven by a combination of style headwinds – the Russell 2000 Technology Growth Index fell 38.8% while the Russell 2000 Technology Value Index fell 23.7% – as tighter financial conditions weighed on growth assets, Apple's outperformance and a few stock disappointments due to macroeconomic headwinds or company-specific issues that weighed on results and/or outlooks. Given market weakness, our cash holdings and NASDAQ put options positively contributed 158bps and 77bps, respectively, to relative performance.

At the stock level, our relative underweight position in Apple, although it fell 26.4%, still did better than the rest of the market and was a significant detractor to relative performance (-78bps). This was despite it being one of our largest absolute positions (averaging 6.25% of NAV versus c.17.1% in the benchmark). Apple was also partly responsible for the underperformance of Snap and Unity Software (two top-10 detractors) following a privacy-related change to IDFA (Identifier for Advertisers), which resulted in a significant loss of 'signal' at social media and mobile game companies reliant on advertising revenue. Higher risk-free rates, and some macroeconomic weakness, weighed on cloud software and long-duration stocks like Atlassian, Elastic and Crowdstrike, which suffered further, and significant, valuation compression. Weakness in the PC market also took its toll on a number of semiconductor stocks, including Advanced Micro Devices (AMD) and Marvell Technology.

Performance versus the benchmark was also hurt by the relative outperformance of incumbents, such as IBM (+11%) and Oracle (-4.6%), where we had zero exposure. While these assets have benefited from safe-haven status and the rotation towards value stocks, we continue to eschew them as legacy vendors on the wrong side of technological change and IT budget migrations. Meanwhile, longer-duration, more speculative areas, such as GS Expensive Software (-57.8%) and GS Non-profitable Tech (-63.3%), showed pronounced weakness as higher rates and recession concerns took their toll.

The Fund was ranked third quartile versus its Lipper peers over the year (66th out of 102 funds). This showing largely reflected our investment style, in particular, the underperformance of growth relative to value (especially the compression of multiples in software), our underweight position in Apple and the relative outperformance of semiconductors – the latter can disproportionately benefit the narrower-focused thematic funds (which tend to have high semiconductor exposure) that sit within our peer group.

Market Review

2022 was a challenging year for equity markets. Inflation numbers continued to come in higher than expected. This necessitated a robust policy response from central banks. They engaged in a steep, synchronised rate-hike cycle to prevent a wage-price spiral: more than 80% of central banks increased rates, higher than the previous peak of c.70% in 1995. Russia's invasion of Ukraine exacerbated energy and food price inflation, and China's reluctance to abandon its COVID-zero policy continued to disrupt supply chains. Economic growth slowed, and GDP forecasts were repeatedly downgraded during the year, which was reflected in company results and outlooks.

Given high inflation, a tight labour market and the desire to retain its credibility, the US Federal Reserve (Fed) embarked on its steepest tightening cycle since the early 1980s, cumulatively delivering 425bps of rate hikes by the end of the year to help counteract four-decade-high consumer price inflation (CPI) readings in H2 2022. At the start of the year, futures were pricing the Fed funds rate around 1% in June 2023, but this reached 5% by the end of the year. The cumulative impact of tightening began to be felt most acutely in the US property market. Thirty-year mortgage rates climbed from 3% coming into the year through 7% in October, while the National Association of Home Builders Market Index fell from 83 to 38, near Covid-era lows. Longer-term inflation expectations did, at least, remain well-anchored, with the University of Michigan survey of 5–10-year forward consumer inflation expectations remaining in the 2.9–3.1% range and market-implied 5–10-year forward break-even rates staying below 2.5%.

2022 was, thankfully, a period in which Covid-19 case numbers were no longer the key driver of markets. However, the lingering impact of the virus remained a driver of supply-side inflation, as China maintained its strict zero-Covid policy throughout. Unfortunately, geopolitical risks were still elevated as the war in Ukraine progressed, Russia shut off gas supplies to Europe and China dialled up hawkish rhetoric around Taiwan, as President Xi attempted to successfully consolidate power at the Communist Party Congress. The Chinese yuan fell to levels against the dollar not seen since 2008.

Nevertheless, political developments were supportive of some parts of the market, most notably in energy, clean energy, and defence. President Biden signed the Inflation Reduction Act into law, a slimmed-down version of the Build Back Better bill. The Act included combating climate change via tax credits aimed at reducing carbon emissions, helping households offset energy costs and promoting investment in clean energy production. The war in Ukraine has prompted a more aggressive move to accelerate clean power adoption to strengthen energy security. Since the Russian invasion, 19 EU countries have set new records for the use of renewable power, bringing total wind and solar power generation to 24% of EU electricity, while Russian natural gas flows are down more than 80% from pre-war levels.

Investors found themselves navigating a highly uncertain, macro-led market with a wide range of possible macroeconomic and market outcomes. Most major equity markets performed poorly: in dollar terms, the MSCI All Country World returned -18.4% and the S&P 500 returned -18.1%, its fourth-worst annual performance since World War Two, closing down by more than 1% on 24% of all trading sessions, the most since 2008 European, Japanese and Asian markets were similarly weak, with the DJ Euro Stoxx 600 (-15.2%), the TOPIX (-14.3%) and the MSCI Asia ex-Japan (-19.5%) all falling heavily (returns quoted in dollar terms).

Equity markets were not alone in delivering poor returns. For the first time ever, the S&P 500 and the US 10-year Treasury both lost more than 10% in total return terms in a calendar year. The US 10-year Treasury yield increased from 1.51% to 3.88% during 2022, delivering its worst annual return since 1788. By the end of the year, only $25bn worth of bonds in the Bloomberg Global Aggregate Bond Index carried a negative yield, down from $18.4trn just two years ago.

The significant change in the interest-rate environment weighed heavily on growth and longer-duration asset valuations. S&P 500 value stocks (-5.3%) recorded their biggest outperformance against growth stocks (-29.4%) since 2000, helped by the S&P Energy sector, which returned 65.4%. The Dow Jones Industrial Average returned -7% against the NASDAQ Composite's -32.5%. Capital market activity declined significantly during the year, with just $98bn of total US equity issuance, down 82% from 2021's record of $539bn.

Technology Review

The technology sector lagged the broader market as macroeconomic headwinds weighed on company results and outlooks, investors rotated into more defensive and pro-inflation sectors, and higher rates hurt growth and longer-duration asset valuations. The Dow Jones World Technology Index fell 34.8%.

Unlike 2021, mega-cap technology companies did not fare any better: the 'MFAANG' group fell 43%, underperforming the wider technology market for the first time since 2016. A slightly broader Big Tech group (Apple, Microsoft, Google, Amazon, Tesla, Meta Platforms and NVIDIA) shed c$4.9trn of market cap between them, while the NASDAQ 100 returned -32.4%, its worst annual return since 2008 when it declined 42%. Despite this weakness, the technology sector made up 26% of the S&P 500's market cap at the end of 2022 and still accounted for 21% of its profits. The only areas of relative defensiveness were GARP (GS TMT GARP Index -15.2%-) and quality (GS TMT Quality Index -22.4%).

Weakness was pronounced across every major subsector, with the weakest performance in the internet subsector. It recorded its largest underperformance relative to the S&P 500 in the past 20 years. The NASDAQ Internet Index fell 47.6%, as consumer-focused internet companies were affected by slowing growth following post-pandemic normalisation and concerns about a recession. Advertising budgets have been pressured by the economic backdrop. Furthermore, social media companies have suffered market share losses to TikTok and experienced an ongoing headwind from Apple's IDFA privacy changes which curtailed the efficacy of ad targeting and measurement.

A meaningful slowdown in internet company revenue growth was widely anticipated, but investors were further disappointed by the lack of appropriate cost discipline at some of the largest internet companies, despite a stream of news flow about hiring freezes. The regulatory backdrop remained challenging, with the passing of the EU Digital Markets Act, aimed at ensuring large online platforms do not abuse their market power, and the Digital Services Act, which sets standards for accountability and online user protection, alongside the US Federal Trade Commission's more combative stance under Lisa Khan's leadership.

The semiconductor sector fell -34.9% (SOX Index). Weakness in handset and PC markets led to material near-term estimate reductions across the semiconductor sector, as demand softened, and inventories corrected. This weakness and slowing hyperscale cloud growth also raised concerns about data centre spending on semiconductors, although this did not show up in numbers or data centre capex indications and commentary. Auto and industrial markets remained relatively resilient, and companies with high exposure here generally held up well. Makers of semiconductor production equipment (SPE) struggled with supply constraints. Logic and foundry Wafer Fabrication Equipment spending outlooks remain robust, but memory capex was lowered to adjust supply, given softer end demand. Towards the end of the period, both semiconductor and SPE companies were proactive in cutting numbers, and many stocks acted well on poor results and weaker guidance.

Markets also had to contend with new rules set by the Biden administration that further restrict the sale of semiconductors and semiconductor manufacturing equipment to the Chinese market. The most detrimental rule is the new control on 'US persons', who are now restricted from specific activities that support the development or production of restricted integrated circuits (ICs) in China without a licence. The aim is said to be to limit China's access to advanced computing for its military modernisation, advanced intelligence collection/analysis and surveillance. However, the control will likely have wider ramifications, given that the precise end use of such items cannot be determined by the US person. Several SPE companies removed China from their guidance, but semiconductor sovereignty policies, including meaningful subsidies, elsewhere, such as the US CHIPS and Science Act, will likely provide longer-term opportunities, as will the continued balkanisation of supply chains as companies prioritise supply resilience.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Technology Fund continued

Technology Review continued

Corporate IT spending growth expectations tempered during the year. Chief Information Officer (CIO) spending surveys initially suggested steady mid-single-digit growth in enterprise IT budgets in 2022, followed by similar growth in 2023. However, these expectations were downgraded to low single digits by the end of the period, as financial conditions tightened and the economy slowed. Spending priorities did, however, remain consistent, with cloud, security, digital transformation, and artificial intelligence (AI) remaining the focus for most enterprises.

Against this backdrop, somewhat unsurprisingly hyperscale public cloud growth slowed. The aggregate cloud revenue growth eased from 36% in the June quarter to 32% in September, while guidance indicates a high-20s percentage growth rate for Q4 2022. This was a disappointment despite the public cloud's vast scale at >$160bn annualised revenue run rate. Customers have optimised their spending, and a tighter IT budget environment has slowed the shift of existing workloads to the cloud, given the upfront costs involved in refactoring and re-architecting applications.

The software sector also had a challenging year: the Bloomberg Americas Software Index fell -33.5%. Diminished risk appetite and a higher rate environment led to a material valuation reset for the sector, with the overall sector EV/NTM sales multiple compressing by 63% during the year, according to Jefferies. The sector reached 5.2x EV/NTM sales, down from a peak of 18.8x in November 2021. The worst performance came from higher growth and unprofitable software companies: the GS Expensive Software basket returned -56.9%.

Legacy software companies held up better on a relative basis, given generally strong pricing power and undemanding valuation multiples, with the GS GARP software basket returning 24.7%. During the period, many software companies highlighted greater deal scrutiny, longer sales cycles and deal compression, and, in later months, found it more difficult to expand sales as customers retrenched. The impact was generally more pronounced in European and small/mid-sized business customers, further compounding currency headwinds, given software companies' relatively high non-US revenue mix.

Fund Activity

We started the year cautiously optimistic, having begun to tilt our exposure towards reopening plays and away from work-from-home (WFH) winners, which we had already greatly reduced in 2021. However, the market turned decidedly negative after Russia began its assault on Ukraine and inflation started to accelerate. As interest rates and inflation expectations went up, investors eschewed growth for value and inflation hedges, creating a substantial headwind for our investment style that would last for the rest of 2022.

During this period, we sold our remaining consumer and WFH-related stocks, including Netflix, PayPal, Uber Technologies, Everbridge, HelloFresh and DocuSign, and we reduced Meta Platforms to a much smaller position. We redeployed the proceeds into secular growth stories in semiconductors and software. We also added exposure to sectors where demand was strengthened by geopolitical events, such as cybersecurity (adding Palo Alto Networks) and clean tech (reinitiating positions in SolarEdge Technologies, Enphase Energy and First Solar in the second half of the year).

As the selloff deepened, we began to selectively initiate starter positions in a number of high-quality assets where valuations had pulled back to attractive levels. These included reopening plays, such as cross-border travel beneficiary Visa, a unique play on chip-level security with eMemory Technology, emerging market champion MercadoLibre, and we also added to our positions in companies primarily exposed to AI/data centre and autos' end markets, where spending trends remained the strongest. These were funded by reducing position sizes in consumer, internet and digital entertainment, for example Snap, Amazon, Airbnb, Adobe Systems and Alphabet, exiting Match, Naver and Unity, and selected high-growth software and cyclical stock such as Seagate Technology, Applied Materials and Tokyo Electron.

As the year progressed and valuations compressed, we effectively tried to upgrade the portfolio's growth profile. We re-initiated positions in high-growth/high-quality software stocks that had pulled back the most, such as Snowflake and CloudFlare, where valuations had previously been too rich, in our opinion, despite being cognisant that estimates will likely be revised lower as companies report Q4 2022 numbers and give preliminary guidance for 2023.

We also added to China recovery/reopening-related names. This included establishing a new position in Trip.com and increasing existing positions in Meituan Dianping, Alibaba, Tencent, Visa and Mastercard, as well as semiconductor/semiconductor equipment and factory automation names that should benefit from China's recovery. Having exited/reduced most of our consumer-centric and/or FinTech stocks at the beginning of the year, we re-initiated small positions in select consumer names, such as Block, Pinterest and Bill.com, as they pulled back and the toughest Covid comparators appeared to be behind us.

Semiconductor and semiconductor equipment combined remains our top overweight at 5.1% (although this includes most of our alternative energy/solar exposure, which accounts for 2.5–3%). Our data processing (payments) overweight has gone up to 4.4% (+0.6%), as we added to Visa and Mastercard and started small positions in Block and Bill.com. We increased our internet and direct marketing retail (e-commerce) overweight by 1.7% to 3.5%.

Our biggest sector underweight remains hardware, storage and peripherals at -11.1% (-9.7%), largely due to our Apple underweight. We are less underweight software compared to the beginning of 2022 (-2.6% versus -4%), although the underlying constituents have changed more materially as we rotated towards high-growth stocks.

The number of positions reduced from 70 in December 2021 to 67 at the end of 2022. Our top 10 holdings accounted for 37% of the Fund at the year-end, down from 41%, most of which was accounted for by the reduction in Alphabet (from 8.3% to 4.2%), while our weightings in Apple and Microsoft edged up due to outperformance, although we remain significantly underweight both compared to our benchmark. At year-end, we did not hold any single-stock call options. Previously, we have used these regularly to reduce underweight positions during particular periods.

The Fund's active share has gone up from 55.2% to 61.8%, its highest in some time. This is mainly due to our lower weighting in mega-caps (we hold 4% less Alphabet today than we did a year ago while Meta Platforms is no longer in our top 10). Many names are no longer in the top 10: Meta Platforms 0.9% (2.6% on 31 December 2021); Amazon 1.2% (2.4%); Taiwan Semiconductor Manufacturing Company (TMSC) 1.8% (2.4%); Marvell Technology 1.3% (2.1%) and Seagate Technology 0% (2%). They have been replaced by ServiceNow 2.9% (2%); KLA Tencor 2.5% (1.1%); ASML 2.2% (1.7%); Lattice Semiconductor 2.1% (1.3%) and HubSpot 2% (1.2%).

From a geographic perspective, our weightings in the US (73.8% versus 77.8% a year ago) and Europe (5% versus 7.7% a year ago) have fallen. They served as a source of funds, primarily for Asia ex-Japan (partly covering Chinese internet names and gaining exposure to China recovery/reopening), which now account for 12% of the portfolio (previously 9.3%). Other regions that saw modest increases in allocation included Japan, now 4.4% (3.4%), Middle East and Africa 3.2% (1.7%) and Latin America 1.6% (0%). Cash remains around the same 4% level at which we started 2022. It went up during the year but was then partially redeployed.

As we turned more cautious, we sold all our single-stock call options early in 2022. Deep out-of-the-money (OTM) NASDAQ put options – with minimal premium invested (<5bp) – were the only derivatives held at the end of the year (and at the time of writing in January 2023). The Fund uses options for efficient portfolio management to reduce the beta (downside volatility) of the portfolio or the relative risk of being underweight individual stock positions, especially growth stocks with large benchmark weights. As valuations of core technology stocks come down, and our confidence in the macroeconomic outlook improves, it is quite likely we will have periods where we hold no put options – with lower valuations, stock betas and downside risk should hopefully be lower too.

Market Outlook

2022 was highly challenging for technology investors. Inflation hit multi-decade highs, prompting central banks to deliver their most aggressive tightening cycle in a generation. Entering the year, the technology sector had outperformed the broader market in each of the previous eight years, with the sector's market cap rising from less than 20% of the broader market (based on the top 1,500 US stocks) to a peak of 38% in 2021. It has now come back to around 30%, according to Bernstein.

Market conditions entering 2023 lend support to an unusually wide range of potential outcomes, both good and bad. It seems likely the macroeconomic backdrop will continue to lead the market in the near term, although the main debate has moved to the timing and magnitude of a recession and its impact on revenue and earnings estimates, rather than the level of inflation and central banks' response to it, as was dominant in 2022.

Indeed, the outlook for inflation has improved, as recent data suggests many countries are likely already past the peak. Goods and energy prices should continue to exert disinflationary pressure while longer-term inflation expectations remain well-anchored, as indicated in consumer surveys and market-derived measures, such as range-bound 5-year/5-year forward breakevens.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Global Technology Fund continued

Market Outlook continued

However, the risk from inflation has by no means passed completely; monetary policy may still surprise to the upside or remain restrictive for longer than markets are currently anticipating. Services inflation and wage growth are still at levels inconsistent with central bank inflation targets, leading to uncertainty over the level at which rates peak and how long they will need to stay there. Indeed, Fed Chair Jerome Powell warned that the nature of the current cycle (strong corporate/consumer balance sheets and a tight labour market coincident with slower growth) might require a higher terminal Fed funds rate which may need to stay there for longer than normal. Minutes from the Fed's December meeting also indicated it is concerned about an 'unwarranted easing in financial conditions' while inflation remains 'unacceptably high'. It seems very unlikely there will be a Fed put under markets until inflation looks comprehensively curtailed.

The impact of tightening actions already undertaken is perhaps of greater concern. The median probability of a US recession in the next 12 months is 65%, according to the Wall Street Journal forecaster survey (October), as the lagged impact of tightening catches up with real consumer spending and ultimately offsets the spending of excess savings and a strong labour market. Recession signals abound. More than 85% of a range of US yield curves, from three months to 30 years, are inverted and Conference Board Leading Economic Indicators have dropped to levels indicating proximity to a recession.

The most widely forecast recession in history could still be averted, however, if the Fed is able to tighten sufficiently to bring the jobs/workers gap down to a level compatible with the 2% inflation target without causing a major spike in unemployment and a broader slowdown. A global slowdown also appears highly probable, with the IMF warning that a third of the global economy will be in recession this year – Europe may already be in recession. That said, the growth impetus from the reopening of the Chinese economy will be a meaningful offset to a global slowdown.

Weaker growth expectations and macro caution are showing up in lower IT spending expectations, compounded by concerns many companies overinvested during the Covid-period scramble to upgrade and expand their digital capabilities. Morgan Stanley's Q3 2022 CIO survey found 50% of CIOs still expect IT budgets to grow as a percentage of revenues in 2023, but this could still represent a slowdown in budget growth and a tough demand environment. Investors remain concerned about the severity of the reset required for 2023 revenue expectations, which has been made more challenging by greater levels of macro uncertainty, leading to a later-than-typical budget-setting process. We would like to see a conservative bar (expectations) but acknowledge there will likely still be a high degree of dispersion in forecasts, given the wide range of possible outcomes.

Cloud spending is a near-term concern, as the major cloud providers have seen a meaningful deceleration in growth rates. Moreover, any slowdown in cloud capacity expansion could affect the demand outlook for data centre-exposed semiconductor companies, which has so far held up well. The outlook for the rest of the semiconductor market is mixed, as inventory builds and demand slowdowns in PC and smartphone markets are worked through, although automotive and industrial demand remains firm, so far. We continue to watch closely for signs of a bottom, given the strong secular demand for semiconductor content across the economy.

Despite near-term concerns and the need for an estimate reset, there are many things to remain excited about in the sector over the longer term. Market narratives can change quickly should macroeconomic headwinds and/or exogenous risks subside. First, positioning is cleaner because investors have gravitated away from the technology sector as financial conditions have tightened. Second, this tightening has also helped to wash out some of the Covid-era pockets of speculative excess (cryptocurrency, SPACs, private holdings in daily-traded investment vehicles, etc). Third, valuations have returned to much more attractive levels, both absolute and relative to historical averages, even excluding the Covid period: growth internet valuations have reached multi-year lows on an EV/NTM EBITDA basis (10.2x) in the context of a 2010–19 average of 19.8x; software growth-adjusted EV/sales multiples sit at 10-year lows (0.28x versus 0.43x from 2014–19), and c.80% of Morgan Stanley's software coverage is trading below average 2022 P/E takeout multiples.

The semiconductor sector (SOX) has derated by more than 40% from its recent highs against an average cycle decline of 26% during the past seven years. Meanwhile, many technology companies have the potential to bring cost discipline to bear and deliver margin expansion, even in a more challenging macro environment. The scale of these potential improvements may be underestimated – a recent Goldman Sachs note suggested an illustrative private equity playbook can give an 800bps boost to software company free cash flow margins, for example. It is very possible that we could also move into the second half of 2023 with the Fed signalling the start of a rate-cutting cycle, which would support multiples as well as easier H2 2023 and H1 2024 comparisons, allowing for growth re-acceleration.

Near-term deceleration in cloud growth and greater scrutiny around corporate digital transformation budgets have not contained the speed and scale of innovation still prevalent in the sector. The rise of Large Language Models (advanced deep-learning algorithms capable of understanding written language) and the functionality they enable, such as ChatGPT, as well as AI advances in image recognition, are early indications of the potential for AI-driven reimagining of many activities and, in time, potentially whole industries.

Even amid tighter budgets, CIO spending priorities continue to focus on AI, cloud, cybersecurity, and digital transformation, given the productivity benefits and innovation these areas continue to offer. In view of these trends and the more attractive valuations today, we see a high degree of upside risk (largely driven by the growth prospects of underlying stocks) offset by elevated macro uncertainty and the need for further downward estimate revisions. The range of outcomes remains unusually wide in the short run, but the opportunities for the Fund over the longer term are as plentiful as ever.

Technology Team

Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Healthcare Blue Chip Fund

Fund Performance

The Fund returned -5.8% (Class I US Dollar Accumulation Shares), outperforming the MSCI AC World Daily Net Total Return Health Care Index, which returned -6.1% (in US dollar terms).

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

In terms of market cap, large-cap stocks (market cap >$10bn at the time of investment) were the primary driver of performance, with positive stock selection offsetting a modestly negative allocation effect. Mid-cap stocks ($5bn-10bn market cap at the time of investment) were also positive contributors, with stock selection again being the key driver of performance.

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

The three biggest positive stock contributions came from DexCom, Acadia Healthcare and Daiichi Sankyo.

DexCom, a US medical device company focused on diabetes, performed strongly in 2022. This was primarily due to growing excitement over the company's next-generation continuous glucose monitoring device, the G7. It was approved in the US in late 2022 but, more importantly, the product's addressable market continues to expand. We believe the G7 will have broad utility not just amongst type I diabetics, but also amongst more prevalent type II diabetics.

Acadia Healthcare is a US-based company that provides behavioural health services. Sadly, there is a growing demand for Acadia Healthcare's products and services. However, the solid share price performance is more reflective of the company's consistent execution and a steady stream of earnings upgrades.

Japanese pharmaceutical company Daiichi Sankyo had a very productive 2022, not just in the clinic but also commercially. The company reported several impressive clinical updates in oncology. It also delivered strong operational results, such that there has been considerable upward pressure on near and medium-term revenue forecasts.

The three biggest negative relative contributors were Avantor, Merck & Co and Bio-Rad Laboratories.

Avantor and Bio-Rad Laboratories both operate life sciences tools and services, a subsector that struggled in 2022 following a strong, COVID-19-driven 2021. Unfortunately, both materially underperformed their peers, but for very different reasons.

Avantor's disappointing performance started following its Q2 2022 financial results, where the company referenced COVID-19 revenues rolling off, foreign-exchange headwinds and lower-than-expected contributions from recent acquisitions MasterFlex and Ritter GmbH as the reasons for its weak operational performance. With downward pressure on earnings, the stock derated heavily during the year.

Bio-Rad Laboratories, by contrast, was operationally sound in 2022, with the share price performance primarily reflecting two things. First, concerning and confusing messaging around M&A; second, a significant fall in value in the company's strategic stake in German life sciences tools and services company Sartorius.

The Fund did not own Merck & Co, a stock that performed extremely well. This performance was driven not just by strong commercial execution in oncology and vaccines, but also by value-added business development, as the management team looks to sustainable growth and a higher terminal value.

Market Review

Global equity markets experienced a tough start to 2022, driven by inflationary pressures, rising rates and the prospect of economic recessions. US inflation jumped to over 8%, and the US Federal Reserve announced its first 75bps rate hike in decades in a bid to cool inflation, having already raised its base rate by 25bp and 50bps earlier in the year. As a result of the macro dynamics, there was a rotation as portfolios reduced their exposure to high-growth areas like technology or areas that carry high terminal values, such as small and mid-cap biotechnology and medical devices. Key beneficiaries of the rotation were more value-oriented sectors like financials, basic resources and energy.

Turning to healthcare, the sector steadily outperformed the broader market during the reporting period. It was helped by the switch to defensive sectors, especially those that sit higher up the market-cap scale. Looking closely at the subsectors, healthcare distributors, managed care and pharmaceuticals/large-cap biotech all performed well. Distributors' steady, defensive earnings profiles made them a key pick for investors seeking shelter in a stable, non-cyclical industry. The positive rerating seen in the managed care sector reflected both strong underlying business dynamics and a favourable macro backdrop, given the industry benefits from rising interest rates. Finally, the pharmaceuticals subsector performed well, thanks to its defensive nature coupled with its ability to absorb inflationary pressure better than other subsectors.

By contrast, the healthcare supplies and equipment subsectors experienced a challenging 2022. Healthcare supplies, dominated by economically sensitive areas such as dental and ophthalmology, struggled due to concerns over consumer spending power. Equipment also had a difficult year. Margins were affected by inflationary pressures and revenues were hurt by a slower-than-anticipated recovery in patient volumes. Lastly, life sciences tools and services stocks were richly valued entering 2022, having been major COVID-19 beneficiaries. The subsector experienced a material derating, as investors fled expensive assets and started to assess the implications of both a slowing biotechnology funding environment and the tailing off of COVID-19-related revenues.

Politics is always an important investment consideration in the healthcare sector, and, on 16 August 2022, the Inflation Reduction Act (IRA) was signed into US law. The Act contained many healthcare provisions designed to ensure and improve access to care and reduce the out-of-pocket costs US seniors face with their pharmaceuticals. The provisions on access to care – extending health insurance subsidies to reduce monthly premium expenses for the next three years – are a clear positive for the healthcare industry as more citizens will stay inside the system. On the drug pricing front, the Act was more balanced, with the opportunity for greater drug volumes perhaps tempered by provisions that could modestly reduce the net present value of drugs.

In summary, however, the IRA is a boon for the industry, with major political risk in the US now in the rearview mirror. Looking back over the past three decades, greater clarity over the US political landscape has been a catalyst for outperformance by the healthcare sector. We do not see this being any different.

Fund Activity

In terms of subsectors, compared to December 2021, the Fund continues to be overweight biotechnology, healthcare facilities and healthcare 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, 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 should also experience more favourable conditions in 2023 as COVID-19 becomes endemic and labour costs start to ease.

Given the macroeconomic uncertainties, the Fund reduced its material underexposure in pharmaceuticals, from -16.5% in December 2021 to -9.6% in December 2022. Pharmaceutical companies continue to innovate and could yield interesting growth opportunities while remaining a historically defensive industry.

In terms of the most significant changes compared to 2022, the Fund has relative underweights in healthcare equipment, distributors and managed care, all of which were relative overweight positions 12 months ago. The near-term operating environment remains challenging for the healthcare equipment sub-sector, although there is hope that patient volumes are starting to pick up and supply-chain challenges are easing. Meanwhile, after strong performances in 2022, earnings multiples for distributors and managed care have rerated, leaving less room for upside.

Market Outlook

2022 was extremely challenging for equity markets for reasons that included rampant inflation, rapidly rising interest rates and widespread quantitative tightening. It might be of little consolation that the healthcare sector comfortably outperformed the broader market, but continued outperformance from here is a distinct possibility. Industry fundamentals are strong, the demand for products and services is incredibly robust, innovation continues unabated, valuations are attractive and the macroeconomic backdrop is extremely supportive. With the relative performance of the sector versus the broader market starting to turn positive in the US, the recent healthcare reform update could be just the catalyst the market is looking for ahead of a potential period of sustained outperformance.

Healthcare Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Healthcare Discovery Fund

Fund Performance

The Fund (Class I US Dollar Accumulation Share Class) returned -23.8% in 2022, outperforming the MSCI World Small Cap Health Net Total Return Index, which returned -29.1% (in US dollar terms).

While the Fund outperformed on a relative basis in 2022, its absolute performance, down 23.8%, weighs heavy on us. Though we are disappointed with our absolute result, we take consolation from the fact that we delivered a third consecutive year of relative outperformance since the Fund's launch in 2020.

For the year in review, we generally did well across our investible universe, with our micro- and mid-cap stocks being the standouts. Our small-cap names came in somewhat behind, along with cash, although still made a positive contribution. We would have added to our outperformance by moving up the investible universe market-cap spectrum; not allocating more in mega-caps was our chief market-cap detractor.

Looking at subsector performance, we fared best in biotechnology. Here allocation, selection and currency effects were all positive, especially selection, which was helped by Pfizer's bid for Biohaven Pharmaceutical Holding, a top-10 position and an overweight for the Fund. Healthcare supplies came in a solid second, although our relative performance was slightly hurt by not having even greater exposure; our position in Lantheus Holdings more than made up for it on the selection side of the ledger. Our healthcare equipment exposure detracted from returns. Stock selection – specifically owning Tandem Diabetes Care and Omnicell – was a headwind. Here we bear responsibility for not having crystalised previous outperformance. While we were keen to maintain these positions for development opportunities yet to be realised, the market volatility was such that complete exits in these stocks would have served us best.

From a regional perspective, our North American stock selection was most helpful while our exposure to Europe hurt. The latter was more due to selection than allocation, although currency movements helped to soften the blow. Overall, currency effects were positive for the portfolio. M&A was active across the wider market as well as within healthcare. Portfolio bids received over the year also included Meridian Biosciences, a healthcare supplies company.

Market Review

2022 will likely be remembered by investors for being dominated by macroeconomic conditions, with a side-helping of geopolitics. The year came down to a battle between rising interest rates to cool aggregate demand versus the expanding balance sheets of commercial banks, households, governments and companies.

To date, a compression in earnings multiples has led a forecast earnings recession in 2023 – despite the wall of investor worry for each quarter, earnings mostly held up for 2022. Even so, it was hard going. Market factor rotation remained high and unnerving, as investors sought to parse varying risks and opportunities from each incremental data point. Those areas with more defensive attributes, such as healthcare, were increasingly deemed attractive as the year progressed, albeit the energy sector was the clear overall winner.

Within the healthcare sector, biopharmaceuticals and managed care fared best. The healthcare facilities and medical equipment subsectors struggled to recover, with the former hit by staffing and rising wage costs, the latter by fewer procedures being carried out as well as, in some instances, providers scrutinising in costs for medical equipment.

The pharmaceuticals and biotechnology areas also had the benefit of the parting of some clouds, in the short term at least, as drug pricing legislation was endorsed by the US Congress as part of the broader Inflation Reduction Act. In addition, the second half of the year brought better clinical data, specifically in areas of unmet need such as the central nervous system, including schizophrenia and hopeful progress on Alzheimer's. The regulatory pathway was convoluted for some drugs, especially those that went to an advisory committee panel, although approval outcomes tended to trend better as the year progressed.

While smaller-company investors witnessed some reprieve from the market's June lows, including what was hopefully the low for healthcare, particularly for biopharma investors, the ebb and flow of economic data and related market effects resulted in a large number of healthcare stocks treading water into the year-end, with more Grinch than Santa on offer.

Fund Activity

Market rotation was a feature of 2022. Investors climbed up and down the wall of worry over inflation and the consequences for interest-rate policy. This had implications for sectors and across the market-cap spectrum as we approached and exited each earnings season.

As smaller-company investors are aware, late-cycle is not the preferred market backdrop for those investing down the market-cap scale. As such, we mostly maintained a defensive tilt while at the same time trying to pick our trading spots when things went to extremes, on both ends of the trade spectrum. In retrospect, selling what worked in one month and recycling the proceeds into what had underperformed the next was one of the better-performing strategies across the market last year. Admittedly, that is a much easier task for large and liquid stocks versus those further down the market-cap scale.

Fund Activity continued

In general, we mostly stuck to our knitting, focusing where the fundamentals were strong and valuations supportive, though often in the face of unnerving market conditions. We did well to mostly avoid exposure to the problem of higher direct staffing costs in acute care settings, although we should have seen the knock-on effect for healthcare equipment and technology and the resulting softening of procedures and budget constraints.

There were successful equity raises for companies that delivered sound clinical data, regulatory approvals or other positive milestone events. For instance, we participated in equity raises by both Revance Therapeutics and Zealand Pharma, adding to our existing positions. Both companies, while very early in their respective product opportunities, subsequently performed strongly.

While we did completely exit select positions – for instance, Establishment Labs (healthcare supplies) and Repligen (life sciences tools and services) – to crystalise profits and recycle them elsewhere, we kept portfolio changes to a minimum. We preferred to manage positioning around the edges in the constant to and fro of market moves and against the backdrop of a post-pandemic recovery in the global healthcare delivery system.

Market Outlook

Peak fear may be priced in over the near term, suggesting Christmas may come late for investors, especially those down the market-cap scale. This could result in a positive 'January effect' following a heavy tax-loss-selling year-end.

Looking further ahead, the path for 2023 likely lies more with inflation and the subsequent steepening of the yield curve, with the former now rolling over and inflation expectations remaining firmly anchored. Meanwhile, the market awaits signs of cooling on the employment front.

Although extraordinary tightening by central banks overshadowed 2022, this cycle is likely to be a conventional profit recession, not a credit one. Unlike after the global financial crisis, balance sheets will not need to be rebuilt after the recession, so the recovery should be relatively quick. In the interim, inflation is a much more important driver for equity markets than the fall in earnings, because of the changes to the equity/bond relationship over the past four years. The last major period when inflation declined precipitously – the 'Volcker shock' – saw the Russell 2000 sharply outperform the S&P 500.

Bringing it back to healthcare, those areas with defensive attributes that outperformed during 2022 may come under pressure as we enter 2023, although this may prove to be short-lived as equity market conditions, at least until mid-year, are likely to remain tricky, especially as we approach the upcoming reporting season.

More broadly, the challenge for earnings is that new orders are starting to fall while inventories have continued to build, driven by the excessive demand bubble that was created over the pandemic. This should continue to normalise, pressuring earnings for many industries. For healthcare, the situation is largely the opposite. Much of the sector saw growth pressured during the pandemic, but utilisation levels are finally starting to increase as healthcare providers continue to adapt in a difficult environment.

Finally, the discount for smaller companies relative to their larger brethren has approached extremes not seen since the aftermath of the late 1990s' technology bubble. Adding in record M&A activity, especially within the healthcare sector, this suggests investors should at least begin to revisit their smaller-cap exposure, while for those already invested down the market-cap scale, these factors offer welcome comfort.

In sum, 2023 is likely to bring a variety of curveballs for equity investors. However, we will remain focused on the long game and on those quality smaller healthcare companies, especially those with experienced leadership, being overlooked amid the cacophony of market noise.

Healthcare Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Healthcare Opportunities Fund

Fund Performance

The Fund returned -9.7% (Class I US Dollar Distribution Shares), modestly underperforming its benchmark, the MSCI AC World Daily Net Total Return Health Care Index, which returned -6.1% (all figures in US dollar terms).

The sector significantly outperformed broader equity markets in 2022 – the MSCI ACWI Index returned -19.8% in US dollar terms – driven by the outperformance of large and mega-cap healthcare stocks.

The Fund's underperformance of the MSCI AC World Daily Net Total Return Health Care Index was due to being, on average, approximately 60% underweight large and mega-caps versus the index, thus having a significant overweight in small and mid-cap stocks. The Russell 2000 Healthcare Total Return Index, which is a US small and mid-cap healthcare index, returned -29.0% (in US dollar terms) in 2022. The dispersion between this index and the MSCI ACWI Healthcare Index is now over 50% for the past two years, which is unprecedented.

From a market-cap perspective, asset allocation was negative due to being underweight large- and mega-caps and overweight small and mid-caps, with the significant overweight in mid-cap stocks being the most painful. Stock selection was strong, but not enough to offset the negative asset allocation. Stock selection was positive for mid-caps and negative for large-caps. From a geographic perspective, asset allocation was a small positive while stock selection was negative, driven by the US and Europe. Again, the latter was caused by the small and mid-caps held in the Fund, which are predominantly based in the US and Europe. Performance was positive in Japan.

On a subsector basis, asset allocation was negative and stock selection was slightly negative. On asset allocation, the positives were our overweight positioning in biotechnology and healthcare distributors and our underweight position in life sciences tools and services. Our overweight in healthcare supplies and underweight in managed care and pharmaceuticals were negatives. Stock selection was positive in healthcare equipment, biotechnology, healthcare technology, supplies and facilities, but negative in pharmaceuticals, life sciences tools and services, and distributors.

The most positive individual relative contributors were Zealand Pharma, Penumbra and Medley. Zealand Pharma announced positive clinical data and excitement built around its obesity pipeline. Penumbra moved higher as investors anticipated outperformance from three new product launches in 2023. Medley outperformed financial expectations with higher margins than expected.

The most negative individual relative contributors were Uniphar, Merck & Co and Quotient. Uniphar was driven lower by general weakness in small-cap stocks rather than negative fundamentals. Not owning Merck & Co was a drag on relative performance, with the company surpassing expectations in 2022. Quotient struggled due to market conditions, delays driven by COVID-19 and financing overhangs.

Market Review

The bear market that began in Q4 2021 continued throughout 2022, the key drivers for investors being concerns over inflation, tightening monetary policy, the war in Ukraine and China's zero-Covid policy. Inflation was much more of a problem than anticipated, first in goods and then in services. Wage inflation was ultimately seen as the most significant issue that central banks needed to address to prevent inflation becoming a long-term challenge. The realisation that central banks would have to raise interest rates to higher levels and maintain them for much longer to prevent a repeat of the 1970s halted several bear market rallies at different points during the year. The start of quantitative tightening was an additional drain on liquidity and another drag on equities.

Energy and low-beta, defensive stocks outperformed, while high-beta, small and mid-cap stocks suffered the most. The drivers of energy stocks were obvious, but margins in general became a major issue due to the cost pressures from inflation on companies. The large move higher in interest rates was expected to eventually push the economy into a recession, thus supporting the outperformance of more defensive stocks throughout the year.

The first half saw the most damage to equity markets, particularly small and mid-cap stocks, which were the first to sell off significantly, back in Q4 2021. With rates moving higher and liquidity tightening, the decline in small- and mid-cap stocks continued, with the weakness reaching an extreme in June. Stocks had a better period over the summer months, but the rally petered out multiple times, with the characteristics of the market at year-end mirroring those of the first half of 2022.

China maintained its zero-Covid policy until the end of the year when there was a complete shift in approach with the country opening up. This caused a huge spike in COVID-19 cases, as would be expected, and China is currently attempting to manage this situation amid hopes the virus will move toward a more endemic status, like most of the rest of the world. The reopening of the Chinese economy led to a significant rally in its stock markets at the end of the year.

Inflation has peaked, but whether it remains elevated or quickly subsides is critical. This will determine the outlook for monetary policy. Investors are most focused on the outlook for economic growth, as the delayed effects of the interest rate increases have yet to be seen in certain economic indicators, particularly statistics relating to labour markets, which remain very tight. This is the main area of concern ahead, as the current state of the labour market suggests that rates will need to move even higher and stay higher for longer, which is an ongoing negative for equities and a driver of the belief that a recession is inevitable in 2023. Given tight labour markets, the reminder of the challenge faced by central banks caused the weakness in markets at the year-end.

Market Review continued

Healthcare outperformed in the year although, as noted earlier, this was mainly due to large and mega-cap stocks, which are typically defensive, low-beta stocks. Small and mid-caps were hit hard, although they improved from mid-year onwards after a pick-up in M&A highlighted the valuation opportunity. Fundamentally, utilisation – the use of healthcare services – started to slowly improve over the year and should continue to rise through 2023, driving growth for the sector.

Fund Activity

Portfolio turnover was much lower than historical levels. This was due to the bear market, with moves lower typically more significant than would be expected in a bull market, thus a more patient approach was taken in regard to buying opportunities.

In the first quarter, we established new positions in Legend Biotech, Astellas Pharma, Swedish Orphan Biovitrum and Bayer, all stocks in the pharmaceutical or biotechnology industries. These new holdings were funded in part by the sale of Genmab. Bayer proved to be a short-term holding after expectations built too aggressively around one of its key pharmaceutical pipeline products. We increased positions in arGEN-X and Max Healthcare Institute, which represent the portfolio's only direct exposure to emerging markets through investments in India, with Max Healthcare Institute being the largest.

In the second quarter, new purchases included Daiichi Sankyo and Tenet Healthcare. The former was based on our optimism over its pipeline for products to treat cancer; the latter was based on a sum-of-the-parts thesis on valuation. We increased positions in Xenon Pharmaceuticals and in Zealand Pharma through a financing. Sales included Biohaven Pharmaceutical and Encompass Health. Pfizer announced its intention to acquire Biohaven Pharmaceutical for a significant premium, hence the sale of the position after this news.

In the third quarter, we brought Penumbra, DexCom and Becton Dickinson into the portfolio. All three are medical device companies and were added following a significant derating of the subsector in the first half of the year, with hopes of an improvement in overall utilisation being the rationale behind our increased exposure. We upped positions in Swedish Orphan Biovitrum, AstraZeneca, Max Healthcare Institute and Revance Therapeutics, increasing our holdings in the latter two through participation in a secondary offering and a financing, respectively. We sold positions in CVS Health, UCB, Envista Holdings and TransMedics Group and trimmed Horizon Therapeutics to fund these changes.

In the final quarter of the year, we built a new position in Intuitive Surgical, driven by optimism over its potential financial performance in 2023 and product launches in the mid-term. We increased our positions in Revance Therapeutics, Zealand Pharma, Alkermes and Xenon Pharmaceuticals. We exited Horizon Therapeutics, AngioDynamics, AtriCure and Surgery Partners. Lastly, we initiated a position in Indian company, Global Health through participation in the company's IPO and added further stock through the secondary market. The Indian hospital operator came to the market at an attractive valuation and generated a strong return into year-end.

Market Outlook

The key challenge for markets is the pressure on earnings, that will likely develop in 2023. The pandemic drove a bubble of spending that brought forward demand for many industries. Through the pressure of interest rate increases and inflation, this is now in reverse. New orders have fallen away dramatically and inventories are at elevated levels. New orders and inventories normally move in sync, as would be expected, but the correlation has broken down and this must normalise. This explains the earnings pressure likely ahead.

Looking at healthcare specifically, if anything demand dropped during the pandemic. This was for several reasons, but mostly due to healthcare providers managing the challenges of COVID-19. This led to a slowdown in demand and a significant build-up of backlogs across different areas. Evidence suggests utilisation is starting to move higher. This should be a positive for growth and highlight the strength of the industry's robust earnings profile, particularly relative to other industries in 2023. This could drive outperformance for the sector in the short to medium term at least.

Consolidation picked up in the sector versus 2021, with large companies taking advantage of the collapse in valuations in small and mid-cap stocks. This should continue to be a theme for the sector in 2023, particularly in pharmaceutical, biotechnology and medical devices. This would provide support for small and mid-cap healthcare stocks in the year ahead, despite the potential pressure on broader equities. Small and mid-cap stocks have lagged since the start of the bear market, with those that participated in the bubble that peaked in Q1 2021 being the weakest. Many of these types of stock will likely struggle for an extended period, as is typical when an equity market bubble bursts. However, the weakness in small and mid-cap stocks that were not in the bubble has created new opportunities at attractive valuations.

Healthcare Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Income Opportunities Fund

Fund Performance

The Fund (Class B2 I Sterling Accumulation Shares) returned 4.6% over the year. In comparison, our benchmark index, the STOXX Europe 600 Financials Net Return Index, returned 0.7%, while wider equity markets, as represented by the MSCI All Country World Total Return Index, returned -8.2% (all in sterling terms).

Market Review

2022 was a brutal year for investors. Equity and bond markets both fell sharply on concerns about the outlook for inflation, interest rates and growth. For perspective, the S&P 500 has only suffered one larger first-half fall since the Second World War (1962). However, even though equity markets enjoyed a positive final quarter, coupled with the fall in bond markets, it was the worst year for financial markets for over 100 years on some metrics.

Equity markets fell at the beginning of the year after highly-rated growth stocks were hit hard by the pivot by central banks, notably the Federal Reserve, and central bankers' realisation that they would need to raise interest rates more quickly than anticipated. Financials is inescapably a value sector, albeit there are many companies within it that trade at high valuations. Consequently, the sector benefited as there was a degree of rotation into value stocks, especially companies seen as beneficiaries of rising interest rates, such as banks.

Russia's shocking invasion of Ukraine in late February led to a further fall in equity markets and a sharp rise in commodity markets, as the ramifications of the invasion and the response by the US, European and other governments weighed on sentiment. However, equity markets inexplicably rallied sharply in March, to a level above where they had been prior to the war's outbreak. Equity markets then continued their sell-off, hitting lows for the year in October, before seeing some recovery over the remainder of the year.

Reflecting the change in outlook for inflation and interest rates, bond markets were also very weak over the year, as noted above. High-yield and investment-grade corporate bond spreads widened sharply. The US 2–10-year government bond yield curve inverted amid concerns around the impact of higher interest rates on growth as central bank rhetoric raised rate expectations.

Against this background, financials outperformed wider equity markets over the 12 months. The sector's strong outperformance in January through to the middle of February was driven by rising interest rates. However, the sector gave back a significant percentage of this outperformance following Russia's invasion and during the following months, as worries about the outlook for growth in the sector more than offset the benefit of further interest rate rises. Relative performance bottomed in August, and the sector outperformed for the balance of the year.

Banks, and to a lesser extent, insurance companies, drove the initial strong performance of the sector up until the outbreak of war. However, with concerns about the deterioration in the growth outlook, bank shares started to underperform. In contrast, insurance companies held up well due to their more defensive characteristics and strong tailwinds, namely a continued rise in insurance premium rates and M&A activity. This lifted insurance share prices, resulting in the subsector significantly outperforming the financials sector and wider equity markets over the year.

Diversified financials, which cover a broad spectrum of companies from stock exchanges, asset managers, investment banks and information service companies, performed poorly. This was due to a mixture of high valuation multiples coming under pressure and being sensitive to the level of equity markets or both. In particular, alternative asset managers, as well as fintech companies, both of which have performed extremely well over the last couple of years, suffered some of the sharpest share price falls.

Fund Activity

The Fund was relatively defensively positioned at the beginning of the period. Its cash level was close to its highest-ever level, excluding when the Fund launched. Furthermore, we had reduced the Fund's exposure to fixed income securities materially, as yields had fallen too far, in our view, and made the risk/reward of owning bonds much less attractive. We had also reduced the Fund's exposure to bank stocks.

Following the sharp sell-off in financial markets, we further reduced our exposure to bank stocks and other consumer financial stocks, the latter after the bounce in equity markets in March. Consequently, our exposure to bank stocks fell to 11.7% at the end of the year versus 19.4% at the start of 2022. We increased the Fund's exposure to more defensive areas of the sector, increasing our weighting in insurance stocks to 20.2%.

We sold holdings in several companies, including JPMorgan, East West Bancorp, Skandinaviska Enskilda Banken and Flow Traders, the latter because it fell short on ESG metrics following negative news reports. We bought a holding in Intercontinental Exchange for its defensive characteristics, but we later sold it after the company announced that it would be purchasing Black Knight, a company focused on the US mortgage market. We also sold our non-voting Schroders' shares following the announcement that the UK asset manager would be enfranchising them.

We established positions in Greencoat Renewables and First Republic Bank, both of which we have held previously. We added Greencoat because it is benefiting from the rise in energy prices and should prove more defensive. We bought First Republic following a sharp derating in its valuation to a more attractive level, albeit we later sold the stock following disappointing results. We also added to our holdings in Sampo and Beazley, the latter being a beneficiary of rising insurance premiums, especially for cyber risks where it has a market-leading presence. Lastly, we started a position in Hannover Rueck, a reinsurance company.

With the increase in bond yields and credit spreads widening, we significantly increased our exposure to the subordinated bonds of banks and insurance companies. In recent years, we have been cautious about AT1 securities, the most subordinated part of a bank's debt stack, but the pick-up in yields changed our outlook. We purchased new holdings in several European banks including Barclays, AIB Group and Caixabank. We also added to our holdings in the RT1 (Restricted Tier 1) securities of various insurers including Aviva, Pension Insurance and Rothesay Life. Lastly, we sold our Singapore Government bonds.

Market Outlook

The Fund undoubtedly benefited in 2022 from having sterling as its base currency. This partly cushioned the portfolio from the sharp falls in financial markets. Less positively, a significant percentage of the Fund's portfolio is invested in the subordinated bonds of financial companies. Reflecting the weakness across bond markets, these performed poorly: the iBOXX Contingent Convertible AT1 Index fell 10.5% over the year (in dollar terms).

The Fund's performance in the face of these headwinds largely reflected its defensive positioning. This was evident in our high cash weighting and our decision to keep the duration of the bond portfolio relatively short by using bond futures. We have reduced our bond futures hedges now that yields on subordinated financial bonds have increased to attractive levels, and we have also increased our exposure to subordinated financial bonds. However, our positioning in the equity portion of the portfolio remains defensive.

Nevertheless, we remain constructive on the outlook. This is despite shorter-term uncertainties that suggest caution, given the profoundly cyclical nature of the financials sector. As we have said many times, banks are more robust today, with much greater levels of capital and liquidity than before the global financial crisis. Perhaps even more importantly, the risk appetites of banks coming into this downturn imply much lower loan losses; in plain English, banks have made far fewer dumb loans than in previous cycles. The unknown for bank investors over the next year is the degree and duration of the downturn, and therefore the cost to bank profitability.

Will bank shares, along with wider equity markets, suffer further weakness in anticipation of a severe downturn, before recovering as investors realise this is not a repeat of the global financial crisis or the early 1990s downturn? Or will investors start to see through the shorter-term weakness and sense the value in buying banking shares due to their longer-term value, bidding up share prices to reflect their longer-term value and earnings potential?

Investors have stepped back from the banking sector because of the risk of a recession hitting short-term earnings. They have also somewhat ignored the longer-term improvement in banks' earnings from higher interest rates. For non-life insurance companies, however, investors seem willing to look beyond the short-term impact on their earnings. We have been constructive on the non-life insurance sector and continue to be so, albeit we are conscious that its strong performance in 2022 was in part due to its defensive characteristics. Nevertheless, there has been a material improvement in the underlying earnings of non-life insurance companies. This has come from better underwriting returns, due to higher insurance premiums relative to claims costs, but also from higher investment income. Understandably, investors have willingly paid higher multiples for these earnings streams. Similarly, reinsurance companies have performed well despite 2022 being another poor year for returns. They were helped by forecasts of a sharp rise in reinsurance premium rates, something we have seen in early 2023.

Against this background, the portfolio remains positioned in more defensive areas of the sector, notably non-life insurance and fixed-income securities, having increased our exposure to the latter. We continue to see favourable tailwinds for the financials sector while balance sheet strength should limit downside risks. Conversely, the Fund is likely to lag a further recovery in equity markets and the sector if the recent falls in oil and gas prices continue and the inflation and interest rate outlook moderates even more.

Financials Team
Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Japan Value Fund

Fund Performance

The Fund (Class S Japanese Yen Distribution Shares) returned 11%, outperforming its benchmark, the TOPIX Total Return Index, which returned -2.5% (in yen terms).

Stock selection was the primary driver of the Fund's outperformance over the year. In addition, the Fund was supported by a style tailwind. Its value bias returned to favour against the backdrop of spiralling inflation and aggressive rate-hiking by central banks.

From a top-down perspective, the portfolio was exposed to several themes over the year that we expected to contribute to relative performance. These themes included digital transformation, policy change by the Bank of Japan (BoJ), and the post-pandemic reopening. The first two themes proved accretive, but somewhat surprisingly, our post-pandemic plays are yet to materially contribute to performance in many cases. We believe the disappointing performance by these names is explained by investors having focused on large-cap reopening plays with greater sensitivity to the much earlier reopening of Western economies. The full reopening of Japan did not occur until October. Therefore, many small and mid-caps with more domestic exposure are yet to participate in the reopening rally.

The largest individual contributors to performance were Lifedrink and Sumitomo Mitsui Financial Group (SMFG).

Lifedrink, a bottled water manufacturer, rallied after it became clear investors had underestimated the growth outlook for the business. The company is extremely cost-efficient and a cost leader within the industry. As a result of undercutting larger rivals, it has been able to expand its market share rapidly. Investors were buoyed by strong operating forecasts and further encouraged by news that rivals were raising prices for competitor products. Lifedrink already has a significant cost base advantage in comparison to its peers, and investors expect significant market share gains as the price gap between its products grows.

SMFG, the second largest Japanese banking group, modestly outperformed throughout the year after financial shares re-rated against the backdrop of aggressive monetary tightening by most central banks. In December, the BoJ surprised investors by adjusting the trading band for 10-year bonds, a move many investors perceived as the start of the Japanese tightening cycle. This resulted in strong outperformance by SMFG and other financial names, as expectations rose for further policy shifts in April once a new governor is appointed.

The largest individual detractors of performance were Minebea and Nohmi Bosai.

We purchased Minebea, a leading electronic components manufacturer, in April after a research meeting with the company. We concluded that the business was well-positioned to expand its already significant market share in the miniature ball bearing business, which we believe is substantially undervalued. Unfortunately, the ongoing weakness in semi-related industries, in addition to Covid lockdowns in China, led to inventory adjustments in the second half that caused the shares to underperform. However, we continue to see upside potential in the long term.

Nohmi Bosai, Japan's largest manufacturer of fire-safety equipment, underperformed throughout the year. Its underperformance was caused by falling profits due to the company's inability to pass on cost pressures to customers in the short term. The business remains on attractive ex-cash valuations. Furthermore, we continue to expect a reorganisation within the Secom Group. The company is a listed subsidiary of Secom, which also owns Nittan, the number three player in the fire-safety industry. This suggests potential for significant synergies under a restructuring.

Market Review

It was a year to remember for investors for the wrong reasons. On the back of two years dominated by the coronavirus pandemic, many had been anticipating a less volatile year in 2022. That was not to be the case. Russia's sudden and unprovoked invasion of Ukraine in the first quarter set the tone for the year.

The conflict has had many consequences, first and foremost being the devastating impact on Ukrainian citizens, but also the economic impact, which has been felt globally. The resulting volatility in energy and commodity prices caused further pressure on already high levels of inflation. Central banks globally had to move quickly to control spiralling inflation.

This theme largely directed sentiment throughout the year. All financial asset classes were affected, as investors continually underestimated the scale of the expected monetary tightening. As a result, value stocks significantly outperformed their growth counterparts throughout the year. In part, this was due to the impacts of higher interest rates, and in part, it was due to the extremely high valuation levels that growth stocks have been trading on in recent times.

Elsewhere, although the coronavirus pandemic had less of an effect on asset classes this year, the divergence in quarantine and social restrictions across nations led to a vast divergence in returns by geography. In China, the relaxation of the government's zero-Covid policy only happened in December. This led to strength in Asian equity prices during the fourth quarter.

Market Review continued

Japan's market followed the trajectory of global markets, despite not having the same extent of pressure from soaring inflation seen in other countries. Inflation did pass the BoJ's target of 2%. However, for much of the year, the central bank decided to take no action, citing the lack of correlation between inflation and wages. This stance changed in December when the central bank surprised investors by widening the permissible range of its yield-curve control policy from 25bps to 50bps. Despite attempts from Governor Haruhiko Kuroda to explain the change as linked to improving market functionality rather than tightening policy, investors viewed the move as a de facto rate hike.

The policy change had a significant impact on market direction, with banks and insurance stocks rallying into the year-end while real estate names suffered a double-digit decline. Exporters also came under selling pressure, as the BoJ move further accelerated the unwind of excessive yen weakness seen earlier in 2022.

On coronavirus, the government finally decided to end the remaining pandemic-related travel restrictions from October in the hope of reviving inbound tourism. The reluctance to end social restrictions quickly had a material impact on market leadership, with large companies typically outperforming smaller ones, given their greater exposure to overseas economies where restrictions were removed much earlier.

The year brought the tragic assassination of Shinzo Abe, Japan's former and longest-serving prime minister. He had been a leader on the global stage and a driving force in Japan's political landscape over the past decade. He will long be remembered for Abenomics and the great strides taken in evolving Japanese corporate governance. The enhancements he made in corporate governance continue to benefit investors in Japan. We believe this is likely to continue long into the future. The end results of such improvements will have many benefits, including increased shareholder returns, better capital allocation and a realignment of shareholder and management interests. The evidence that this continues to build is scattered across the market. The most high-profile case currently is Toshiba, a former failing conglomerate with large differences between shareholder and management opinions that recently put itself up for sale. There is still work to be done, but the transformation of one of Japan's worst offenders (management agency, fraud, poor capital management, voting scandals) is a sign of the great improvements currently under way.

Fund Activity

Portfolio strategy remained consistent during 2022, 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. In addition to the long-term strategy of capitalising on Japanese corporate governance reforms, there were several short-term themes that emerged. Many of the new additions related to digital transformation, BoJ policy change and the post-pandemic reopening. One other notable development, in the fourth quarter, was the opportunity provided by initial public offerings (IPOs) coming to market at reasonable valuation levels following the dramatic change in the investment environment. The Fund participated in three IPOs during the fourth quarter (Socionext, Daiei Kankyo and Skymark Airlines), having only participated in three in the previous six years of the strategy.

Significant new positions over the second half of the year (please refer to the Polar Capital Fund Interim Report 2022 for a discussion of significant first-half purchases) included:

Tokai: we took a position in this supplier of linen products to hospitals and hotels following a research meeting with its management. The company had suffered a severe valuation de-rating, with the share price almost falling 50% from 2020 highs, despite earnings remaining largely flat over the course of the pandemic. At the time of purchase, the shares were trading on a 20% discount to book value, around 10x earnings, and with 50% of its market cap in net cash. These valuation levels, the company's sensitivity to a domestic post-covid reopening, and a management team that appears receptive to improving capital efficiency led us to initiate a holding.

Socionext: we elected to participate in the IPO of Socionext, a system-on-chip (SoC) designer formed in 2015 by the merger of the LSI SoC divisions of Panasonic and Fujitsu. The company's client base was initially heavily biased toward consumer electronics customers in Japan, but it has shifted focus under its new management team to design opportunities in higher growth fields (autonomous vehicles, data centres and smart devices) in overseas markets. Given the difficult stock market environment in 2022, particularly for semiconductor-related stocks, the company came to market at a very reasonable valuation (a low P/E ratio, a high dividend yield and a large net-cash position), hence our decision to participate in the deal.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Japan Value Fund continued

Tsumura: we elected to return to Tsumura, the dominant producer of kampo (traditional Chinese) medicine in Japan, having previously owned the shares in 2020. The share price has lagged the market rally over the past two years, leaving a very attractive valuation based purely on the value of Tsumura's Japanese business. However, the management team has been putting in place the building blocks for a full-scale entry into the much larger Chinese market in recent years. We expect this to become a more visible driver of revenues and profits over the next three to five years. With no sign of the Chinese business potential being reflected in the market capitalisation, we believe the medium-term risk/reward profile for the shares is exceptionally good.

Daiei Kankyo: we decided to participate in the IPO of this comprehensive waste management service provider, given its discounted valuation versus its listed peers. The company is expected to continue to expand, driven by both organic growth and further acquisitions in a fragmented industry. We believe the company may trade at a premium valuation in time, given its attractive growth outlook and strong ESG credentials.

Skymark Airlines: it returned to the Japanese equity market in December after years of large-scale restructuring following bankruptcy in 2015. The newly-listed entity is solely focused on the domestic aviation market, offering consumers a lower-cost option on popular routes dominated by full-service providers Japan Airlines and All Nippon Airways. We believe the relatively low competition in the domestic aviation market should mean Skymark can achieve attractive returns, given its superior cost competitiveness versus its larger incumbent competitors, who tend to view the Japanese market as a cash cow business.

The purchases were funded by sales of TDK, Mabuchi Motor, DTS, WingArc1st, SoftBank Group, Hogy Medical, Socionext, Lifedrink, Alps Alpine and Kissei Pharmaceutical.

Outlook and Strategy

2022 proved a difficult year for global equities. Major central banks abruptly shifted policy from an ultra-easy monetary stance to an inflation-fighting mode, leading to a sharp de-rating of equity valuations amid fears of a looming recession.

We believe the direction of global equities in 2023 will be determined more by earnings levels than valuation multiples, with the de-rating of equity valuations proving more of a 2022 story. At the time of writing, consensus expectations for global earnings are largely flat year-on-year, but the direction of earnings revisions in recent months is clearly downward. In combination with greater valuation discipline, we are optimistic that a market more focused on earnings will offer a rich environment for alpha generation by fundamental bottom-up stock-pickers.

Looking forward, it seems likely interest rates will peak in the coming months as inflationary pressures ease, although a return to a world of quantitative easing and negative interest rates appears highly unlikely. The lagged effect of monetary tightening and the loss of consumer purchasing power from the recent inflationary surge means the outlook for global growth is muted. After all, the benefits from Covid-related fiscal stimulus measures and economic reopening have largely run their course in major Western economies. The recent reversal of China's zero-Covid policy may prove to be a rare positive growth driver in 2023, although, over the very short term, it is likely to lead to further supply chain issues due to the rising number of Covid cases.

The outlook for the Japanese economy and its stock market differs somewhat from the global picture. As Japan lagged major Western developed economies in its response to the pandemic, many of the tailwinds to growth in 2022 will continue into the first half of 2023. Economic reopening, fiscal stimulus and the return of inbound tourism should all be supportive of another year of above-trend growth in Japan. The recent shift in policy by the BoJ and the upcoming change in the bank's leadership creates some uncertainty with regard to Japan's monetary policy stance, although we assume any policy changes will be small, incremental moves, given low-trend growth and the limited risk of a wage-price spiral emerging.

We believe the portfolio remains well-positioned to benefit from both the Japanese economic reopening trade and improved capital allocation in Japan. In terms of reopening, we believe the portfolio has substantial exposure to economic normalisation, with many of our domestic-exposed normalisation names not having yet recovered to pre-Covid levels. This could be an important market theme in 2023. On the capital allocation front, given the optionality from what we believe is the superior balance sheet strength of the portfolio, we were encouraged by numerous share buyback announcements in 2022 and notable increases in dividend guidance to March 2023. We continue to expect the ongoing corporate governance improvements to force companies to allocate capital more efficiently. The portfolio stands to benefit from this factor, given 45% of its market cap is covered by cash and investments, compared to the benchmark's marginal net debt position.

Japan Team
Polar Capital LLP

January 2023

North American Fund

Fund Performance

2022 was a disappointing year for equity investors. The Fund (Class I US Dollar Distribution Shares) returned -18.1%. Its performance benchmark, the MSCI North America Net Total Return Index, returned -19.5% (both in US dollar terms), the first decline since 2018 and the worst return since 2008. Returns for North American equities in real terms were even worse considering the high level of inflation.

Significant positive contributions to performance over the year came from The Travelers (insurance), Cenovus Energy (energy), T-Mobile (mobile telecoms), United Rentals (industrial equipment rentals) and LPL Financial Holdings (a provider of outsourced services to investment advisers).

In all cases, these businesses experienced improving fundamentals against a general market backdrop of slowing growth. Improving pricing and profitability backdrops drove strong performance for both the energy producers and insurers held in the Fund. T-Mobile benefited from market share gains, given its superior value proposition of a better-quality network at a lower price than competitors. It is rapidly expanding its free cash flow margins as it integrates Sprint following its acquisition. Despite a slowing economy, United Rentals enjoyed accelerating demand for its products. This was due to growth in areas of the economy where spending was previously somewhat depressed, such as infrastructure, commodities and manufacturing (the latter driven by some reshoring projects). LPL Financial's profitability has benefited materially from interest rates rising from historic lows, as it can again generate a yield on the vast customer cash balances it holds.

Another crucial factor that helped the strong performance of the above stocks is they also started from relatively depressed valuations – improving fundamentals were not priced in. We still like the long-term fundamentals and valuations for all these businesses. However, we have taken profits in some of the above names where the valuations had become less attractive and risk/reward profiles are less appealing than before. We reinvested proceeds into parts of the portfolio where the investment opportunity has improved.

Notable negative contributors to performance included Signature Bank, IAC (a media and internet asset conglomerate), MKS Instruments (a manufacturer of precision electronics), Meta Platforms (formerly Facebook) and Alphabet.

Signature Bank, a US commercial bank, was weak primarily for reasons related to its ownership of one of the dominant digital payment platforms. Although this platform has been a meaningful driver of deposit growth in recent years, the long-term viability of this part of the business is in question. However, it is only a small part of the bank. It does not own any crypto assets or extend credit to firms in that market. Meanwhile, the loss of those deposits is likely to have a relatively small impact on profits. On a longer-term view, given the significant opportunity for profitable growth, a differentiated entrepreneurial business model and low valuation, we find the risk/reward profile attractive.

IAC has seen disappointing performance in some of its underlying assets. We still have high regard for the management team. However, given a less favourable disposition towards the long-term prospects of its assets, we felt the risk/reward profile was no longer compelling enough and decided there were better opportunities elsewhere in the portfolio, so we sold the position.

MKS Instruments, a manufacturer of highly specialised electronic components, has suffered from a significant slowdown in spending in the semiconductor equipment industry, an important end market for the company. This occurred shortly after the company made a large acquisition that increased financial leverage at what turned out to be the peak of the cycle. Although we have reduced our assessment of its long-term cash generation potential and are warier of its weakened balance sheet, we continue to like the long-term fundamental opportunity and find the valuation of the stock, on a cyclically-adjusted basis, very appealing.

Meta Platforms has suffered from well-publicised issues regarding increased competition, lower user engagement among some cohorts of the population and decreased efficacy of its advertising. This has happened at the same time as the company has highlighted its intention to invest a substantial part of its cashflows into building its metaverse capabilities, where the payoff is uncertain. Despite a valuation derating that somewhat reflected deteriorating fundamentals, we sold the position, based on our reduced confidence that it can achieve our long-term double-digit value creation hurdle.

Alphabet, a Fund holding for more than a decade, was weak. This was due to the softening outlook for digital advertising and, more recently, worries about potential new competition. We have concerns regarding the latter and have reduced the position size. However, we continue to be optimistic about the company's competitive position, growth potential, strong cash generation, balance sheet and valuation.

The Fund's relative lack of exposure to traditionally defensive sectors, such as consumer staples, utilities and pharmaceuticals, was a relative performance headwind, given the more stable performance of these sectors in such a weak market. We have struggled to find many investment opportunities in these areas that fit our long-term value creation and value criteria. We are struggling even more following their strong relative performance.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

North American Fund continued

Market Review

If one excludes the rapid collapse and recovery in equity prices during and following the height of the COVID-19 pandemic, we believe 2022 marked the end of a very long bull market that started in 2009 in the aftermath of the global financial crisis. The strength of the bull market was underpinned by a prolonged period of ultra-low interest rates. This manifested itself in unusual and extreme phenomena, such as up to 30% of the stock of global bonds outstanding offering negative nominal yields towards the end of the last decade. Such extremes of monetary conditions may never be repeated in our lifetimes.

2022 saw a clear change in the investing landscape, with significant and rising inflation pressures and a rapid tightening of monetary policy. US inflation reached the highest levels for 40 years, marking the end of a long period of disinflation. Last year also witnessed the fastest increase in the Fed funds rate (425bps in nine months) since Paul Volcker was chairman of the Fed in the early 1980s, marking the end of a long period of declining interest rates.

Some of the more transient forces that have driven inflation over the last two years have now started to go into reverse and are acting as disinflationary forces. Inflation has peaked and will probably ease further as 2023 progresses. However, it seems unlikely to us that the world will revert to a sustained period of very low inflation and interest-rate levels akin to what we experienced for much of the last decade. Once inflation has become embedded into the system and the behaviour of companies, politicians, consumers and employees changes, it is difficult to get rid of. Moreover, there are some other forces that in recent times have been disinflationary which could now be inflationary. These include an over-supply of many commodities over the past decade turning into an under-supply following a decade of underinvestment, and the previously steady trend of globalisation being impeded as supply chains are reconsidered in the face of rising geopolitical instability.

It is sometimes instructive to compare an economic or market environment to periods in the past. Although there are many differences in terms of macroeconomic fundamentals compared to the early part of this century, we see many similarities in terms of market dynamics. Then, like now, we were experiencing the end of a roaring bull market, particularly in the highest growth stocks, which had been driven by a relatively small number of large-cap stocks and an investor mentality fuelled by overly lax monetary policy to buy (and hold) high (or stable) growth stocks at any price.

What followed then was a growing appreciation for sustainable cash generation and balance sheet strength, a realisation that the price you pay matters and a broadening of stock market performance beyond a handful of companies. We suspect, like then, market returns won't match the prior decade, but opportunities for active, value-disciplined investors to generate attractive returns will be bountiful in an investing environment that is not driven by cheap money and ever-expanding valuations.

Fund Activity

New stocks added to the portfolio hailed from a variety of industries. They included natural resource-exposed companies Cenovus Energy, Ovintiv and Teck Resources; the freight railroad operators Union Pacific and Norfolk Southern, First Republic Bank, RenaissanceRe Holdings (a reinsurer) and Amdocs (a provider of billing software and services to the telecoms industry).

The Fund saw a greater number of sales of existing positions than purchases of new ones, with the result that the number of stocks in the portfolio fell during the year. In particular, we exited a number of smaller positions in the Fund. At the year-end, there were 41 holdings. We expect the typical number of holdings to be between 35–50 in the future.

The Fund's composition is very different from the benchmark. The active share at the end of 2022 was 86%, meaning the overlap with the index was only 14%. The portfolio continues to exhibit a small- and mid-cap bias versus the benchmark. For example, at year-end, 54% of the Fund (excluding the cash position) was invested in businesses with market caps of <$50bn. This compares to only 29% of the benchmark.

Given the value discipline that is a key part of our approach, it is unsurprising that the Fund also has a value bias versus the benchmark. For instance, the Fund's (historical) free cashflow yield is 6.3% versus the index at 5.6%. It has rarely had a higher free cashflow yield than this since 2016. The forecast portfolio-weighted price/earnings ratio at year-end was a reasonable 14.9x versus the benchmark at 17.9x. Other measures such as price-to-book, price-to-gross profits and price-to-sales are also meaningfully cheaper for the Fund versus the benchmark.

Simple near-term/historic quality metrics for the portfolio are appealing and reassuring, too. For example, as has consistently been the case since its inception, the portfolio converts net income into free cash flow at a much higher rate than the benchmark (114% versus 92%), has high free cash flow margins (18% versus 12% for the benchmark) and a strong balance sheet across a number of metrics (for example, net debt/EBITDA minus capex) of 1.3x versus 2.3x for the benchmark).

For a more detailed write-up of the rationale of some of our key buys and sells, please see our investment updates on our website.

Market Outlook

2022 was a challenging year for investors in American equities. Inflation reached multi-decade highs and became embedded across an array of goods and services. Inflation has peaked, but it seems unlikely that we will return to the prior period of anomalously low or negative interest rates.

2023 will likely be a tougher year for corporate profits, given potential headwinds affecting some areas of the economy. Those headwinds will impact some of the portfolio's companies, too. We take some comfort that this is not a contrarian view and is priced into many equities. We also take comfort from the fact that the long-term outlook for the portfolio's companies remains very bright, given appealing growth prospects for the businesses held combined with robust cash generation that can be deployed well by good management teams.

Not only do we believe the portfolio has strong long-term prospects that are appealing and better than the average American business, but given our value-disciplined investment approach, we also believe the holdings in the portfolio are attractively valued, more so than the average American business. Given their qualities and long-term prospects, we doubt they would be more attractively valued if domiciled or listed in any other developed market. At a trailing free cashflow yield of over 6%, we believe the portfolio offers a sound valuation starting point to deliver attractive long-term returns if it compounds business value at the double-digit rate we expect.

North American Team

Polar Capital LLP

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Smart Energy Fund

Fund Performance

The Fund (Class I US Dollar Accumulation Shares) returned -20.3% over 2022, underperforming the MSCI AC World Net Total Return Index, which returned -18.4% over the same period (in US dollar terms).

The clean power generation cluster delivered a positive contribution, while the other three clusters – energy transmission and distribution, energy conversion and storage, and energy efficiency – were all negative. The energy efficiency cluster provided the largest negative contribution.

At an individual stock level, Enphase Energy, First Solar, Aixtron and SolarEdge Technologies were the strongest positive contributors. The largest negative contributors were Marvell Technology, Plug Power, Silergy and XPeng.

Market Review

Global stock markets had a difficult year. Central banks struggled to contain elevated inflation, revising upwards their expectations for peak interest rates. Towards the end of 2022, softer overall economic data caused bond yields to fall, boosting the likelihood of slower-paced rate hikes. Meanwhile, China loosened its Covid-19 restrictions. This added to the more positive sentiment as the year closed, even though the move created further supply-chain disruptions by causing a spike in new infections.

The clean energy sector, including electrification, remained in the investment spotlight due to its key role in achieving energy independence. The EU, through its REPowerEU plan, is speeding up its plans to boost its share of energy from renewable sources this decade, while simultaneously accelerating plans for green hydrogen infrastructure. At the same time, the US Congress passed the Inflation Reduction Act (IRA). As part of a larger package, the Act assigned $370bn in tax and rebate incentives in clean energy and climate change programmes. It was subsequently signed into law by President Biden. The IRA includes a wide range of funding programmes across renewables, electric vehicles (EVs), hydrogen and storage supply chains, with the additional objective of supporting domestic industries. The Act is expected to be fully implemented in 2023.

Fund Activity

Over the year, the Fund increased its exposure to the clean power generation cluster. Companies from this sector are likely to be the most direct beneficiaries of the IRA and the REPowerEU plan. The Fund also raised its exposure to the solar energy supply chain, with holdings including inverter companies Enphase Energy and SolarEdge Technologies, module producers First Solar and Maxeon Solar Technologies, solar installers SunPower and Sunrun, as well as solar tracking systems company Array Technologies. Given their good performance over the year, which increasingly priced in short-term expectations, the Fund partially trimmed some of these positions at the end of the year.

The Fund reduced its exposure to the power conversion subcluster by trimming ON Semiconductor, Power Integrations, Rohm and Monolithic Power Systems. The Fund exited Navitas Semiconductor and established a new position in the compound semiconductor deposition tool manufacturer Aixtron.

Within the energy storage subcluster, the Fund sold its position in the small cells battery manufacturer Varta. The Fund established new positions in the Asian battery cells manufacturers Contemporary Amperex Technology Limited (CATL) and LG Energy Solution. It also cut exposure to the lithium mining companies, given the increased likelihood of a less supply-constrained market as 2023 unfolds. It only held minor positions in Livent and Albemarle at the end of the year.

The Fund slightly reduced investments in the energy efficiency cluster, mostly through the transportation subcluster. Here it sold China EV companies NIO, XPeng and Niu Technologies, due to concerns about softening demand in China. The Fund initiated a new position in the China EV and battery manufacturer Byd.

In the Big Data subcluster, the Fund sold Xilinx at the beginning of the year, as the company was acquired by AMD. It also sold Lumentum Holdings. The Fund upped its exposure to Vertiv Holdings, a supplier of electric power equipment and thermal management to data centres. Similarly, it slightly increased its positions in Lattice Semiconductor and Marvell Technology.

The Fund significantly cut its exposure to the building efficiency sub-cluster, given rapidly softening demand. It exited positions in Johnson Controls International, Regal Rexnord, Nibe Industrier and Resideo Technologies.

In the industrial processes subcluster, the Fund sold out of positions in Regal Rexnord, Skyworks Solutions and Mabuchi Motor. It initiated new positions in rare-earth miners MP Materials and Lynas, as well as in Keyence and Cognex, both of which provide machine vision systems for inspection systems.

Finally, in the hydrogen infrastructure equipment sub-cluster, the Fund started a new position in the industrial gases company Air Products & Chemicals. The Fund reduced its weighting in Plug Power. This came after the company's new guidance reflected the challenges facing first-mover companies in the green hydrogen sector; their ability to reduce capital costs through economies of scale will take a few years to materialise. Lastly, the Fund sold Norwegian electrolyser manufacturer Nel.

Market Outlook

Interest rate rises are having an increasing impact on the global economy. Inflationary pressures caused by supply-chain bottlenecks, tight labour markets and higher energy costs are receding. Concerns that China's U-turn on its Covid prevention policies may create additional inflationary pressures should soon abate. The positive medium-term impact of this policy shift in normalising economic conditions, including the restoration of functioning supply chains, is likely to far outweigh any negative short-term inflationary effects. Overall, we expect financial conditions to ease as 2023 progresses. Falling inflation rates will allow central banks to adopt more accommodative policies.

We remain constructive on the underlying themes within Fund's investment strategy. Given the need to accelerate the energy transition towards clean energy solutions and electrification, governments worldwide continue to explore how to reduce dependency on imported energy sources, as well as foster local manufacturing and power generation.

Following a very strong 2022 marked by record-high installation numbers, the deployments of new solar installations should increase in 2023, as falling raw material input costs will further improve the economics of solar power.

2023 should also see record investments in energy storage. It offers a strong complement to distributed generation, especially in solar panels. We also expect the power semiconductor space to continue to benefit from robust demand, as the underlying electrification trend in the global energy transition is a powerful one. This could bode well for related stocks in 2023 since current valuations are highly attractive on a mid- to long-term perspective.

As in the past, the Fund seeks to invest in diversifying investments across the clean energy value chain, focusing on segments with strong structural growth drivers, such as clean power production, smart grid and storage solutions, green hydrogen infrastructure, power electronics, EVs, building efficiencies and the energy efficiency of big data.

Sustainable Thematic Equity Team
Polar Capital (Switzerland) AG

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

Smart Mobility Fund

Fund Performance

The Fund returned -25.0% (Class I US Dollar Accumulation Shares) in 2022, underperforming the broader MSCI AC World Net Total Return Index, which returned -18.4% during the same period (in US dollar terms).

All four investment clusters contributed negatively. The largest negative performance contribution came from the EV manufacturing cluster, followed by the EV technologies and mobility infrastructure clusters. The autonomous driving cluster was only slightly negative.

At an individual stock level, u-blox, Air Products & Chemicals, Visteon and SolarEdge Technologies were the strongest positive contributors. The largest negative contributors were Uber Technologies, NIO, Plug Power, XPeng and ITM Power.

Market Review

Global stock markets had a difficult year. Central banks struggled to contain elevated inflation, revising upwards their expectations for peak interest rates. Towards the end of 2022, softer overall economic data caused bond yields to fall, boosting the likelihood of slower-paced rate hikes. Meanwhile, China loosened its Covid-19 restrictions. This added to the more positive sentiment as the year drew to a close, even though the move created further supply-chain disruptions by causing a spike in new infections.

The clean energy sector, including electrification of the transportation sector, remained in the investment spotlight. Its key role in achieving energy independence was reflected in the introduction of the Inflation Reduction Act in the US and the REPowerEU plan in Europe.

The growth in the overall automotive market in 2022 was entirely driven by electrification, with electric vehicle (EV) sales recording y/y growth of nearly 60%. This gave EVs a 12% share of the global automotive market, driven by China and followed by Europe.

The year marked a major milestone on the journey toward autonomous driving following the appearance of 'level 3' series cars on public roads for the first time. This came after authorities granted system approval in December 2021. Subsequently, in Germany in May 2022, Mercedes-Benz became the first car OEM (original equipment manufacturer) to make 'level 3' functionality officially available, on its high-end models. 'Level 3' autonomy conditionally allows a driver to focus on other activities such as checking emails, reading, online shopping and web browsing.

Fund Activity

The Fund increased the share of the autonomous driving cluster. It initiated a position in Trimble Navigation and increased existing stakes in u-blox and NXP Semiconductors.

It significantly reduced exposure to Chinese EV manufacturers, selling Xpeng and NIO on worries over softening EV demand in China. It also exited positions in the electric two-wheeler company Niu Technologies and the Japanese EV supplier Denso.

The Fund also reduced its weight in the EV technologies cluster by trimming exposure to both the batteries and electric powertrain sub-clusters. Within the batteries subcluster, the Fund cut positions in lithium miners, given the increased likelihood of a less supply-constrained market as 2023 unfolds: it sold out of Sociedad Química y Minera de Chile completely and significantly reduced its positions in Livent and Albemarle. The Fund established positions in Asian battery module manufacturers Contemporary Amperex Technology Limited (CATL) and LG Energy Solution. It cut exposure to the electric powertrain subcluster by trimming positions in ON Semiconductor and Rohm and selling Power Integrations and Monolithic Power Systems. The Fund started new positions in rare earth miners MP Materials and Lynas.

The Fund steadily increased the weight of the mobility infrastructure cluster during the year. In the green hydrogen and sustainable fuels subcluster, it started a position in industrial gases company Air Products & Chemicals and sold Norwegian electrolyzer company Nel. Furthermore, in the smart grid and charging sub-cluster, the Fund established a position in SolarEdge Technologies, a provider of electric inverters, storage solutions and electric powertrain units.

Market Outlook

Interest rate rises are having an increasing impact on the global economy. Inflationary pressures caused by supply-chain bottlenecks, tight labour markets and higher energy costs are receding. Concerns that China's U-turn on its Covid prevention policies may create additional inflationary pressures should soon abate. The positive medium-term impact of this policy shift in normalising economic conditions, including the restoration of functioning supply chains, is likely to far outweigh any negative short-term inflationary effects. Overall, we expect financial conditions to ease as 2023 progresses. Falling inflation rates will allow central banks to adopt more accommodative policies.

We expect another year of growth for EVs in 2023, with y/y growth rates of 40% likely. All regions should contribute to this growth, most notably China and the EU. We also expect the US market to reach an inflection point, supported by the Inflation Reduction Act, which includes new tax credits of up to $7,500 over 10 years for locally-made EVs.

Market Outlook continued

We also expect the continuous strive for better safety, efficiency and comfort through automation to raise the market penetration of increasingly advanced 'level 2+' driver assistance systems. Furthermore, the major fully automated robotaxi projects in the US and China will continue to expand their offerings – in late 2022, a leading US big tech company announced the 2023 launch of its robotaxi service in Los Angeles, its third metropolitan market.

Overall, we remain very constructive on the Fund, given the strong fundamentals of the smart mobility sector. The entire transport sector is engaged in an unprecedented transformation towards electrification. We will continue to invest across the 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 and new developments in driverless mobility.

Sustainable Thematic Equity Fund

Polar Capital (Switzerland) AG

January 2023

Investment Manager's Reports continued

For the financial year ended 31 December 2022

UK Value Opportunities Fund

Fund Performance

The Fund (Class I Sterling Accumulation Shares) had an extremely tough year, returning -18.1% in 2022 compared to 0.7% for the FTSE All-Share Total Return Index (in sterling terms).

The Fund suffered from being materially underweight the FTSE 100, with 70% exposure to the small and mid-cap indices. The FTSE 100 Index (+4.7%) significantly outperformed the FTSE 250 (-18.4%), FTSE Small Cap (-17.3%) and AIM indices (-30.7%). Indeed, the FTSE 250 Index's underperformance versus the FTSE 100 Index was the widest margin since the mid-cap index's launch in 1992. The AIM Index, where the Fund has 18% exposure, was notably weak, finishing down 30.7%.

The FTSE 100 Equally-weighted Index (-12.9%) did not perform much better than the FTSE 250 Index, highlighting that the FTSE 100 Index's positive return was predominantly driven by a small group of the largest-cap shares. These comprised oil stocks Royal Dutch Shell and BP, miners Glencore and Rio Tinto, defensive names AstraZeneca, GlaxoSmithKline, Unilever, Diageo and British American Tobacco, and, lastly, BAE Systems and HSBC. These 10 shares returned an average of 24.2% in 2022, a stark contrast to the wider market.

Globally, small and mid-cap indices underperformed their large-cap counterparts, but the UK was a particularly extreme case. In part, this was driven by the sectoral composition of the UK's large-cap index, which is overweight resources and defensive shares. It was also a reflection of the risk-off trend in UK small and mid-cap stocks, which experienced record outflows in the face of the rising prospect of a recession.

Domestic shares significantly underperformed international shares, with a median return of -26% for domestic shares and -15% for international shares. This provided a considerable headwind: about two-thirds of the Fund's revenues are derived from domestic earnings versus just a quarter of the FTSE All-Share. The underperformance of domestic shares was caused by the strength of the US dollar. Sterling, in particular, suffered a horrendous first nine months, a consequence of political turmoil culminating in the catastrophic mini-budget in September and one of the highest inflation numbers in the G7. Since the appointments of Jeremy Hunt and Rishi Sunak as Chancellor and Prime Minister, respectively, in October, the pound has strengthened, although it remains c10% below the level at which it started the year.

The Fund was relatively underweight sectors that performed extremely well, namely resources, energy, mining and defensive areas such as tobacco, pharmaceuticals, and household and personal products. The Fund was also overweight several cyclical sectors that materially underperformed, including retailing, consumer durables and apparel, and capital goods.

Of particular note was our housing and infrastructure exposure, which performed badly in the face of rising interest rates. Rising recessionary risks due to high inflation and the associated increase in interest rates led to a rotation into defensive shares from cyclical shares.

The inflationary environment, stoked by Russia's invasion of Ukraine, accounted for the considerable outperformance of the resources and energy sectors.

Our worst-performing shares reflected the thematic headwinds we faced. They were predominately small-cap, domestic-earners with cyclical end markets. These included Luceco, Watkin Jones, Marshalls, Greencore Group, MJ Gleeson Group, Rank Group and Kier Group. There is an additional common theme of housing/infrastructure in many of these shares and they were affected by higher mortgage rates.

We had three stock-specific issues outside these themes: IG Design Group, Alliance Pharma and Hilton Food Group. IG Design Group suffered a margin squeeze from its customers, which was exacerbated by difficult supply chain conditions. While the core Hilton Food Group business performed well, its newer fish business failed to pass on fish price increases in the middle of the year. Alliance Pharma suffered from delays in meeting orders for its scar treatment Kelo-cote in its Chinese business.

Our best-performing shares predominately reflected the sectors that outperformed in 2022. As a bottom-up stock-picking fund, this is a rare occurrence. The largest contributors to performance included oil and gas holdings Serica Energy, Harbour Energy and Royal Dutch Shell, mining stocks Anglo American, Rio Tinto, defence names QinetiQ Group and BAE Systems, and financials Standard Chartered, Beazley, NatWest Group and Investec.

Market Review

We assess the period based on our three investment criteria: valuation, durability of profits and financial safety checks.

While value outperformed in 2023, the trend was not clear. Value's outperformance was driven by the cheapest decile in the FTSE 100, predominately comprising oil, mining, tobacco and banks. While the Fund held several of these shares, including Anglo American, Barclays, Standard Chartered, 3i Group and now Royal Dutch Shell, the Fund is materially underweight the index in these positions.

The outlook for future profits deteriorated throughout the year. Despite a fall in bond yields and a rise in sterling in the final few months, the reality is real disposable incomes did not trough in 2022, but will likely trough at some stage in 2023. Companies are already starting to report weakening demand, especially in the housing sector. Domestic earnings will continue to come under pressure in the coming months. However, we would flag that earnings troughs are not a good guide to share price troughs. Indeed, earnings typically troughed many months after share prices in previous downturns; trough earnings and trough multiples are rarely simultaneous. We would love to find high-quality businesses with solid end markets, improving profits and bulletproof balance sheets trading at trough valuations but, sadly, they rarely exist. The exceptional valuations that are on offer in the UK market are because of the uncertain backdrop.

The premise of our financial safety check is that businesses that generate decent positive retained cash and have robust balance sheets are best placed to weather storms and seize opportunities. As financing rates rose sharply over the year, we were surprised that our focus on financial strength did not help more. We believe the step change in interest rates means financial strength is going to matter more in the months and years ahead. Half of our portfolio holdings (excluding banks and insurance companies) enjoy net cash balance sheets. Those that have a net debt position pass our safety check with more clearance than they ever have in the past. Things can change quickly in this market, but we think our companies' balance sheets are highly robust.

Fund Activity

The major share price falls seen in 2022 meant many shares hit attractive entry price points. These shares typically had higher returns on invested capital than existing holdings and were higher quality than value managers would normally be able to access. These included Gamma Communications, Howden Joinery Group, JD Sports Fashion, Marshalls and Next. All of these companies generate returns on invested capital above 20% and enjoy double-digit margins.

In addition, we bought Redrow at 20% below the company's book value. We also initiated a position in Royal Dutch Shell after it shifted from failing to passing our safety check and ESG criteria. Elsewhere, we established a position in Harbour Energy early in the year after the gas price soared following Russia's invasion of Ukraine.

We exited Reckitt Benckiser, Investec, AstraZeneca and Watches of Switzerland after they hit our target prices and therefore no longer met our 'cheap valuation' test, our first criterion.

The majority of shares we exited this year were because they did not meet our second criterion: attractive returns on invested capital. In some cases – including Mitchells & Butlers, Johnson Service Group and IG Design Group – we were concerned about the ability of companies to pass on inflationary costs. In other cases – including TT Electronics, Forterra and Alliance Pharma – we were worried about a weakening demand outlook. In a few cases, there were cheaper shares on offer in the same sector, such as Tesco and Taylor Wimpey.

As economic conditions have worsened, the outlook for returns on invested capital has naturally deteriorated. But share price falls elsewhere have enabled us to invest in higher-quality shares. Therefore, the Fund's overall return on invested capital and quality characteristics have been enhanced, as have our conviction levels in individual positions.

The stock changes detailed above are bottom-up investment decisions and have not dramatically altered the Fund's overall exposure, which remains biased toward cheap value and predominantly small and mid-cap domestic-earning companies.

Market Outlook

While the current backdrop is incredibly tough and highly macro-driven, the Fund's fundamentals have almost never looked better. The portfolio is on 8.6x aggregate earnings, valued at a c.14% discount to the FTSE All-Share, and over half the Fund's cheap value creators trade on 10-year trough P/E ratios. The Fund contains a record number of businesses generating over 20% returns on invested capital, a function of higher-quality businesses falling into our remit over the course of the year. Furthermore, excluding banks and insurance stocks, half the Fund's holdings have net cash balance sheets. Meanwhile, those holdings with debt are even more lowly geared than usual.

So what changes the backdrop? We cannot point to an obvious trigger. Moreover, in the event a trigger occurs, we will not know for several months afterward what that key was. While we are unsure of the timing, we know that small and mid-cap stocks typically rally ahead of large caps at turning points in the market. Indeed, during the global financial crisis, the FTSE 250 rallied over three months before the overall market and posted c.15% outperformance versus the FTSE 100 over that period. We also note that the FTSE 250's performance has historically closely tracked the rise in peak interest rate expectations; the higher the peak expectation, the lower the FTSE 250. Were peak rates to continue to fall, this would be materially positive for small- and mid-cap stocks.

Investment Manager's Reports continued

For the financial year ended 31 December 2022

UK Value Opportunities Fund continued

Market Outlook continued

We are frustrated by the lack of benefits that were forthcoming from cheaper valuations in 2022. As mentioned above, the outperformance of value stocks was confined to the cheapest decile of the FTSE 100, dominated by oil, mining, tobacco and banks. We suspect that the failure of value stocks further down the market cap scale to outperform related to the rising risks of recession as the year unfolded. Small- and mid-cap value stocks suffered from the flight from cyclicals towards defensives.

Towards the end of the year, we saw better performance in small and mid-cap value but a true turning point will require investors to look through the impending downgrades and extend their time horizons. While we do not know when this will be, earnings do not typically trough at the same time as earnings multiples. Indeed, earnings typically trough many months after share prices have begun to rise. Were earnings to trough in the second quarter of 2023, we would expect to see rising share prices ahead of that.

The Fund continues to be overweight domestic earnings. The rebound in sterling is supportive for our investments, and we hope that we have moved past peak bearish sentiment toward the UK. The much-discussed Fed pivot and associated dollar weakness would be a huge help. We know the Fund outperforms on days when inflation data comes in lower than expectations.

In our view, the Fund remains cheap with considerable re-rating potential. The returns on invested capital of the Fund's holdings are at an elevated level, while our companies' balance sheets are even stronger than usual. Despite the frustrating lack of certainty in the near term, the Fund's strong fundamentals give us great confidence for the year ahead.

UK Value Team
Polar Capital LLP

January 2023

Report of the Directors

For the financial year ended 31 December 2022

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 2022 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 the Listing Rules of Euronext Dublin; 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, MJ Hudson Fund Management (Ireland) 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 Manager') 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.

During the financial year ended 31 December 2022:

- Polar Capital (Switzerland) AG was appointed as investment managers by the Company on 30 November 2022.
- James Cayzer-Colvin resigned as Director of the Company on 11 October 2022.
- Robert Bovet resigned as Director and Chairman of the Company on 31 December 2021.

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 2022 is included in the Investment Manager's Reports.

Report of the Directors continued

For the financial year ended 31 December 2022

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.

Corporate Governance Statement

The Company is subject to corporate governance practices imposed by:

(i) The Memorandum and Articles of Association of the Company;

(ii) The Companies Act 2014;

(iii) The UCITS Regulations;

(iv) The Euronext Dublin Code of Listing Requirements and Procedures.

Copies of the above are all available for inspection at the Company's registered office at Georges Court, 54–62 Townsend Street, Dublin 2.

The Company has adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies (the 'Code') issued by Irish Funds. The Company is organized in such a way to meet all 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 independent, objectively and effectively in the best interests of investors.

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems in relation to the financial reporting process of the Company. Such systems are designed to manage, rather than eliminate, the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Directors of the Company and filed with the Central Bank of Ireland and Euronext Dublin.

The accounting information provided in the annual financial statements is required to be audited by an independent auditor who reports annually to the Shareholders of the Company on the audit process and their findings. The auditor's report on the financial statements, including any qualifications, is reproduced in full in the annual report of the Company.

The Board meets at least four times a financial year review the operations of the Company, to address matters of strategic importance and to receive reports from the Manager, the Administrator, the Depositary and the Investment Managers. However, a Director may call a meeting of Directors at any time.

Questions arising at any meeting of the Directors are generally decided by consensus, but majority voting can be used if necessary to reach a decision. If there are an equal number of votes for or against a resolution the Chairperson of the meeting can effectively decide the matter by exercising a second or casting vote.

The minimum required number of Directors is two, which is also the minimum number of Directors required for a meeting to take place. Currently there are four non-executive Directors, all of whom are independent of the Investment Managers. The reduction in the size of the board during the year reflects the appointment and responsibilities in has assumed. The Directors are listed on page 556.

The convening and conduct of Shareholders' meetings are governed by company law and the Memorandum and Articles of Association. Shareholders together holding 5 per cent or more in aggregate of the shares of the Company in issue may at any time request that the Directors convene a meeting of Shareholders to consider any matters that may be proposed by the Shareholders requesting the meeting.

A meeting of Shareholders held in accordance with the provisions of the Memorandum and Articles of Association may by a 75% majority of those voting approve a change to the Memorandum and Articles of Association or a proposal to wind up the Company. A simple majority vote is required for most other proposals, including proposals to determine that the Directors shall retire, or to terminate any of its Funds, and any material change in the investment objective and policies or the investment restrictions set out in the Prospectus issued by the Company.

Twenty one days' notice at least of every meeting shall be given to Shareholders in the manner provided in the Memorandum and Articles of Association. At any meeting any matter put to a vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairperson or by one or more Shareholders present in person or by proxy and holding or representing one-twentieth of the number of shares for the time being in issue. Unless a poll is so demanded, a declaration by the Chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

If a poll is duly demanded, it shall be taken in such manner as the Chairperson may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Diversity Statement

The Board of Directors strives to ensure that its membership reflects diversity in the broadest sense (capturing a combination of skills, experience, age, gender, educational and professional backgrounds).

The Company believes that there is a strong business case for boardroom diversity, which helps to promote good governance and challenge 'group think' mentality. A diverse board should also help to ensure that the board continues to remain objective in its decision making and to exercise good judgement on behalf of the Shareholders. When appointing members to the board, the Company will consider whether the candidates have the knowledge, qualifications and skills necessary to safeguard proper and prudent management of the institution.

The Company has no employees. It is the opinion of the Board that the current Directors represent an appropriate mix of skills, knowledge and experience commensurate with governing a UCITS investment company of this scale and with its current management structure while meeting regulatory requirements as to the composition of the board and the experience and qualifications of its members.

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 above and detailed 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 2022

Audit Committee

During the financial year ended 31 December 2022 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 LLP, Chartered Accountants and Statutory Audit Firm, was 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

29 March 2023

Report of the Depositary to the Shareholders

For the financial year ended 31 December 2022

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 2022 ('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

29 March 2023

Independent Auditor's Report

to the members 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 2022 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework 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 to Holders of Redeemable Participating Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 19, including a summary of significant accounting policies 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 (IAASA), as applied to public interest entities, 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.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of Financial Assets and Liabilities at Fair Value Through Profit or Loss; • Existence of Financial Assets and Liabilities at Fair Value Through Profit or Loss ;and • Accuracy of Performance Fees Within this report, any new key audit matters are identified with ↑ and any key audit matters which are the same as the prior year identified with →
Materiality	The materiality that we used in the current year was 1% of Average Net Assets determined in respect of each sub-fund.
Scoping	Our audit is a risk-based approach taking into account the structure of the Company, types of investments, the involvement of the third-party service providers, the accounting processes and controls in place and the industry in which the Company operates.
Significant changes in our approach	There have been no significant changes in our approach from our prior year audit.

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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the relevant controls in place regarding going concern as part of our audit risk assessment procedures.
- Holding discussions with management on the directors' going concern assessment, the future plans for the entity and the feasibility of those plans.
- Challenging the reasonableness of the key assumptions applied by the directors in their assessment.
- Reviewing all board meeting minutes during the period up to the date of approval of the Financial Statements, for evidence of any discussions and/or decisions that could impact the entity's ability to continue as a going concern.
- Reviewing the capital activity and NAV movements, subsequent to the financial year end.
- Assessing the adequacy of the relevant going concern disclosures made in the Financial Statements.

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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Financial Assets and Liabilities at Fair Value Through Profit or Loss	
Key audit matter description	For the financial year ended, the investments of the entity of $15.27B make up 97.6% of total net assets of $15.63B. The valuation of investments is considered a key audit matter as it is the most significant number on the Statement of Financial Position, is a key driver of performance and due to the potential for management judgement and estimation in the valuation. As investments are a key driver of performance and due to their significance to the net asset value, there is a risk that these investments might not be correctly valued, in accordance with IFRS. Refer also to note 2 and 10 in the Financial Statements.
How the scope of our audit responded to the key audit matter	We have performed the following audit procedures to address the key audit matter: • We obtained an understanding and evaluated the key controls that have been implemented over the valuation process for financial assets and liabilities at fair value through profit or loss. • We obtained the Northern Trust Fund Administration Services (Ireland) Limited (the "Administrator") SOC 1 Report and identified the key controls in place over the valuation process and reviewed those key controls for any exceptions. • We considered the valuation basis used in light of the valuation policy as stipulated in the entity's Prospectus documents and the requirements of IFRS. • We independently valued 100% of securities using our own market feeds. • We reviewed the adequacy of thefair value levelling disclosures in the Financial Statements.

Independent Auditor's Report continued

to the members of Polar Capital Funds plc

Existence of Financial Assets and Liabilities at Fair Value Through Profit or Loss	
Key audit matter description	The investment portfolio at the year-end principally comprised Equities, Bonds, Investments in Investment Funds, Swaps, Options and other Financial Derivatives to the value of $15.27B. There is a risk that investments recorded might not exist or might not be owned by the entity. Investments are considered to be a key driver for the entity's performance. Therefore, due to the significance of investments to the entity's Financial Statements, we have determined this as a key audit matter. Refer also to note 2 and 10 in the Financial Statements.
How the scope of our audit responded to the key audit matter	We have performed the following audit procedures to address the key audit matter: • We obtained an understanding and evaluated the key controls that have been implemented over the reconciliation process for existence from the Administrator to the depositary and counterparties. • We obtained the Administrator's SOC 1 Report and identified the key controls in place over the reconciliation process and reviewed those key controls for any exceptions. • We obtained independent confirmations from the depositary and counterparties at the financial year-end and agreed the amounts held to the investment portfolio. • We tested a sample of reconciling trades to ensure that they have been recorded in the correct period including a review of a sample of unsettled trades.

Accuracy of Performance Fees	
Key audit matter description	The performance fee crystallises on an annual basis. The accuracy of performance fees are considered a key audit matter because the performance fee is a related party transaction and a significant expense in the Statement of Comprehensive Income. There is a risk that performance fee is not calculated correctly in accordance with the prospectus and input used in the calculation is incorrect. Refer also to note 3 in the financial statements.
How the scope of our audit responded to the key audit matter	We have performed the following audit procedures to address the key audit matter: • We obtained an understanding and assessed the design of the key controls over the calculation and approval of the performance fees. • We reviewed the prospectus of the Company to understand the calculation methodology. • We reviewed the inputs used in the performance fee calculation to ensure compliance with the prospectus. • We recalculated performance fees in accordance with the prospectus and compared to recorded performance fee to ensure accuracy.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

Basis for determining materiality	1% of Average Net Assets of each Sub-Fund.
Rationale for the benchmark applied	As the company is set up as an umbrella fund with segregated liabilities between sub funds, we determined materiality on a sub fund basis to be 1% of average net assets. We have considered the average net assets to be the critical component for determining materiality because the main objective of the sub funds is to provide investors with a total return. We have considered quantitative and qualitative factors such as understanding the Company and its environment, history of misstatements, complexity of the Company and reliability of control environment.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole. Performance materiality was set at 50% of materiality for the 2022 audit. In determining performance materiality, we considered the following factors:

- our understanding of the entity and its environment (including it's current operations and risk profile);
- the quality of the control environment;
- The degree of centralization and common controls/processes
- Management override of controls risk;
- the nature and extent of misstatements identified in previous audits; and
- our expectations in relation to misstatements in the current period.

We agreed with the Board of Directors that we would report to the Board of Directors all audit differences in excess of 5% of materiality , as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the Company, types of investments, the involvement of the third party service providers, the accounting processes and controls in place and the industry in which the Company operates. The Company is incorporated as an open-ended investment Company with variable capital and is organised under the laws of Ireland as a public limited company pursuant to the Irish Companies Act, 2014. The Company is authorised by the Central Bank of Ireland (the "Central Bank") as a UCITS (Undertaking for Collective Investment in Transferable Securities) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (as amended).

The Company is organised as an umbrella fund with segregated liability between sub funds. The redeemable participating shares of the sub funds are listed on the Irish Stock Exchange (the "ISE"). At 31 December 2022, the Company had twenty active sub funds. We assess the risks of each Sub-Fund separately. We have conducted our audit based on the books and records maintained by the administrator Northern Trust Fund Administration Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.

Independent Auditor's Report continued

to the members of Polar Capital Funds plc

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non- compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the entity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including IT and valuations regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Valuation of Investments, Performance Fees, Share Class Allocation and Revenue Recognition – Unrealised Gains & Losses. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the entity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UCITS Regulations, Listing Rules and the Applicable Regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the entity's ability to operate or to avoid a material penalty. These included matters regulated by the Central Bank of Ireland.

Audit response to risks identified

As a result of performing the above, we identified 'Valuation of Financial Assets and Liabilities at Fair Value Through Profit or Loss', 'Existence of Financial Assets and Liabilities at Fair Value Through Profit or Loss' and 'Accuracy of Performance Fees' as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management and the Board of Directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Central Bank of Ireland; and
- In addressing the risk of fraud in Revenue Recognition, independently valuing all securities using our own market feeds and completing an unrealised gain/loss reconciliation.
- In addressing the risk of fraud in Performance Fees, examining the calculation of the performance fees to evaluate whether it is consistent with the Prospectus and re-performing the calculation of the Performance Fees on that basis.
- In addressing the risk of fraud in incorrect Share Class Allocations, assessing and testing the implementation of key controls in place regarding the allocating profit/loss to the individual share classes at the fund accounting level; performing a walkthrough of the process at Northern Trust for calculating the NAV per share at the fund accounting level and follow the process to the transfer agent where the shares got converted to different currencies for dealing purposes; using D.NAV to review the movement between share classes and to understand any deviations, taking into account fee rates, hedging, distributions and currency movements; and testing swing pricing for the sub funds and check whether that swing pricing should be applied on the dealing date net redemptions based on the thresholds set out in the fund documents.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report continued

to the members of Polar Capital Funds plc

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.

Other matters which we are required to address

We were appointed by the Board of Directors in 2014 to audit the annual accounts for the year ending 31 December 2014. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years, covering the year ending 31 December 2022.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the company in conducting the audit.

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISA (Ireland) 260.

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, Earlsfort Terrace, Dublin 2

29 April 2023

Note: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Financial Statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Portfolio Statements

As at 31 December 2022

Asian Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 96.27% (2021: 98.77%)		
	Australia: 3.27% (2021: 1.70%)		
316,155	Allkem	2,409,862	1.75
391,544	Lynas Rare Earths	2,084,376	1.52
	Total Australia	4,494,238	3.27
	Bermuda: Nil (2021: 0.59%)	–	–
	Cayman Islands: 23.22% (2021: 21.44%)		
565,296	Alibaba Group Holdings	6,246,905	4.55
241,310	JD Health International	2,205,968	1.60
184,172	JD.Com Inc	5,196,020	3.78
209,147	Meituan Dianping	4,681,385	3.41
46,910	Sea ADR	2,440,727	1.78
76,354	Silergy	1,084,366	0.79
234,604	Tencent	10,039,492	7.31
	Total Cayman Islands	31,894,863	23.22
	Hong Kong: 7.02% (2021: 2.87%)		
597,067	AIA	6,640,070	4.83
69,484	Hong Kong Exchanges & Clearing	3,001,942	2.19
	Total Hong Kong	9,642,012	7.02
	India: 17.94% (2021: 19.12%)		
23,052	Apollo Hospitals	1,247,645	0.91
51,293	Coforge Ltd	2,408,161	1.75
29,182	Dixon Technologies	1,377,300	1.00
192,256	HDFC Bank ADR	3,783,653	2.75
313,822	ICICI Bank	3,379,286	2.46
250,987	Phoenix Mills	4,315,593	3.14
301,144	Prestige Estates Projects	1,687,360	1.23
174,221	Reliance Industries	5,364,145	3.91
271,236	Sunteck Realty	1,081,272	0.79
	Total India	24,644,415	17.94

Portfolio Statements continued

As at 31 December 2022

Asian Stars Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 96.27% (2021: 98.77%) continued		
	Japan: 0.86% (2021: 1.59%)		
4,028	Tokyo Electron	1,186,924	0.86
	Total Japan	1,186,924	0.86
	People's Republic of China: 7.50% (2021: 5.79%)		
325,865	Ganfeng Lithium	2,434,087	1.77
150,200	Glodon	1,301,443	0.95
379,100	Shenzhen Inovance Technology	3,808,068	2.77
99,000	Sungrow Power Supply	1,599,717	1.16
639,502	Venus MedTech (HangZhou) Inc	1,168,399	0.85
	Total People's Republic of China	10,311,714	7.50
	Republic of South Korea: 12.18% (2021: 19.88%)		
37,528	Daejoo Electronic Materials	2,107,147	1.53
92,122	Koh Young Technology	928,870	0.68
14,527	Naver	2,039,180	1.48
197,546	Samsung Electronics	8,639,220	6.29
6,454	Samsung SDI	3,016,460	2.20
	Total Republic of South Korea	16,730,877	12.18
	Singapore: 2.93% (2021: 3.43%)		
194,145	City Developments	1,191,331	0.87
87,522	OPT Machine Vision Tech	1,661,882	1.21
314,592	Zhejiang Heda Technology Co Ltd	1,170,720	0.85
	Total Singapore	4,023,933	2.93
	Taiwan: 16.33% (2021: 19.19%)		
95,553	Andes Technology	1,546,668	1.13
443,120	Chroma ATE	2,609,514	1.90
76,091	eMemory Technology	3,305,021	2.41
436,406	LandMark Optoelectronics	1,505,069	1.09
97,236	MediaTek	1,977,274	1.44
787,480	Taiwan Semiconductor Manufacturing	11,491,102	8.36
	Total Taiwan	22,434,648	16.33

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 96.27% (2021: 98.77%) continued		
	Vietnam: 5.02% (2021: 3.17%)		
476,200	FPT	1,553,331	1.13
1,085,906	Vietnam Technological & Commercial Joint Stock Bank	1,190,697	0.87
1,595,904	Vincom Retail	1,780,372	1.30
1,164,162	Vinhomes	2,370,298	1.72
	Total Vietnam	6,894,698	5.02
	Total Equities	132,258,322	96.27
	Total Transferable Securities	132,258,322	96.27

		Fair Value US$	% of Net Assets
	Total Value of Investments (Cost: US$ 171,076,733)	132,258,322	96.27
	Cash at Bank	5,530,415	4.03
	Other Net Liabilities	(411,689)	(0.30)
	Net Assets Attributable to Holders of Redeemable Participating Shares	137,377,048	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.

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.88	97.58
Other assets	4.12	2.42
	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 2022

Automation & Artificial Intelligence Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 98.02% (2021: 97.99%)		
	Basic Materials: Nil (2021: 3.89%)	–	–
	Communications: 7.06% (2021: 13.17%)		
29,031	Alibaba ADR	2,557,341	0.69
88,188	Alphabet	7,780,827	2.11
47,103	Amazon.com	3,956,652	1.08
265,800	Meituan Dianping	5,949,463	1.62
6,773	MercadoLibre	5,731,583	1.56
	Total Communications	25,975,866	7.06
	Consumer Discretionary: 0.15% (2021: Nil)		
115,553	Farfetch	546,566	0.15
	Total Consumer Discretionary	546,566	0.15
	Consumer Staples: 2.25% (2021: Nil)		
58,306	Walmart	8,267,208	2.25
	Total Consumer Staples	8,267,208	2.25
	Consumer, Cyclical: 3.35% (2021: 4.22%)		
294,000	BYD Company	7,254,935	1.97
39,077	Cie Financiere Richemont	5,064,129	1.38
	Total Consumer, Cyclical	12,319,064	3.35
	Consumer, Non-cyclical: 12.55% (2021: 11.04%)		
3,461	Adyen	4,759,031	1.29
43,310	Block Inc	2,721,600	0.74
65,137	DexCom Inc	7,376,114	2.01
34,798	Intuitive Surgical	9,233,649	2.51
13,536	Thermo Fisher Scientific	7,454,140	2.03
27,569	UnitedHealth Group Inc	14,616,533	3.97
	Total Consumer, Non-cyclical	46,161,067	12.55
	Energy: 3.12% (2021: Nil)		
388,099	BakerHughes	11,460,563	3.12
	Total Energy	11,460,563	3.12

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Financial: 4.88% (2021: 2.26%)		
24,199	Crowdstrike	2,547,912	0.69
1,948,045	Man Group plc	5,007,640	1.36
29,927	Mastercard	10,406,516	2.83
	Total Financial	17,962,068	4.88
	Health Care: Nil (2021: 0.45%)	–	–
	Industrial: 31.34% (2021: 25.50%)		
688,187	Atlas Copco	8,130,507	2.21
29,741	Cognex	1,401,098	0.38
21,700	DISCO	6,208,458	1.69
151,487	Emerson Electric	14,551,841	3.96
579,611	Epiroc AB	10,560,886	2.87
32,000	FANUC	4,810,489	1.31
117,550	Fuji Machine Manufacturing	1,719,440	0.47
119,150	Harmonic Drive Systems	3,354,748	0.91
106,800	Hoya	10,283,785	2.80
13,854	John Deere	5,940,041	1.62
25,200	Keyence	9,820,637	2.67
81,373	Kone	4,194,630	1.14
148,600	Nabtesco	3,789,753	1.03
80,637	Renishaw	3,557,896	0.97
19,708	Rockwell Automation	5,076,190	1.38
548,053	Rotork	2,021,270	0.55
208,335	Sandvik AB	3,767,006	1.02
89,022	Schneider Electric	12,419,542	3.38
257,600	Shima Seiki Manufacturing	3,621,570	0.98
	Total Industrial	115,229,787	31.34

Portfolio Statements continued

As at 31 December 2022

Automation & Artificial Intelligence Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Technology: 33.32% (2021: 37.46%)		
120,669	Advanced Micro Devices	7,815,731	2.13
33,216	Analog Devices	5,448,420	1.48
19,299	ASM International	4,853,650	1.32
9,282	Aspen Technology	1,906,523	0.52
161,850	eMemory Technology	7,029,974	1.91
35,800	GMO Payment Gateway	2,962,871	0.81
59,967	Hamamatsu Photonics	2,872,344	0.78
151,695	Infineon Technologies	4,602,718	1.25
27,238	KLA Corp	10,269,543	2.79
108,558	Micron Technology	5,425,729	1.48
82,913	Microsoft	19,884,196	5.41
4,777	Monolithic Power Systems	1,689,195	0.46
12,444	MSCI	5,788,575	1.57
64,453	NVIDIA	9,419,161	2.56
43,418	Qualcomm	4,773,375	1.30
374,397	RELX	10,304,287	2.80
53,054	Samsung Electronics	2,320,195	0.63
346,000	Taiwan Semiconductor Manufacturing	5,048,917	1.37
31,932	Teradyne	2,789,260	0.76
24,796	Veeva Systems	4,001,579	1.09
143,600	Zuken	3,313,972	0.90
	Total Technology	122,520,215	33.32
	Total Equities	360,442,404	98.02
	Total Transferable Securities	360,442,404	98.02
	Total Financial Assets at fair value through profit or loss	360,442,404	98.02

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 348,394,962)	360,442,404	98.02
Cash at Bank	7,481,581	2.03
Other Net Liabilities	(213,343)	(0.05)
Net Assets Attributable to Holders of Redeemable Participating Shares	367,710,642	100.00

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.84	96.91
Other assets	2.16	3.09
	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 2022

Biotechnology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 97.24% (2021: 99.67%)		
	Diagnostic Equipment: Nil (2021: 0.06%)	–	–
	Diagnostic Kits: 0.61% (2021: 1.01%)		
45,000,000	C4X Discovery	9,743,491	0.61
	Total Diagnostic Kits	9,743,491	0.61
	Diversified Operations: Nil (2021: 2.17%)	–	–
	Drug Delivery Systems: 0.58% (2021: Nil)		
500,000	Revance Therapeutics	9,230,000	0.58
	Total Drug Delivery Systems	9,230,000	0.58
	Medical Labs & Testing Services: 1.79% (2021: 3.53%)		
1,750,000	Evotec	28,500,914	1.79
	TotalMedical Labs & Testing Services	28,500,914	1.79
	Medical Products: 4.06% (2021: 3.63%)		
3,250,000	NanoString Technologies	25,902,500	1.63
2,500,000	Renalytix	2,180,257	0.14
1,250,000	Rhythm Pharmaceuticals	36,400,000	2.29
	Total Medical Products	64,482,757	4.06
	Medical-Biomedical/Gene: 69.24% (2021: 66.45%)		
500,000	ACADIA Pharmaceuticals	7,960,000	0.50
1,250,000	Adicet Bio	11,175,000	0.70
1,000,000	Akoya Biosciences	9,570,000	0.60
275,000	Alnylam Pharmaceuticals	65,353,750	4.11
1,750,000	Arcutis Biotherapeutics	25,900,000	1.63
275,000	Argenx	102,223,882	6.43
500,000	Bavarian Nordic	15,313,189	0.96
3,000,000	BELLUS Health	24,660,000	1.55
150,000	Biogen	41,538,000	2.61
175,000	BioMarin Pharmaceutical	18,110,750	1.14
500,000	Biomea Fusion	4,215,000	0.27
1,500,000	Calliditas Therapeutics	13,309,180	0.84
1,400,000	Celldex Therapeutics	62,398,000	3.93
453,039	Cerevel Therapeutics	14,288,850	0.90
1,250,000	Day One Biopharmaceuticals	26,900,000	1.69
1,250,000	Deciphera Pharmaceuticals	20,487,500	1.29
2,250,000	Exelixis	36,090,000	2.27
125,000	Genmab	52,760,177	3.32
1,363,636	Heidelberg Pharma AG	7,174,829	0.45

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 97.24% (2021: 99.67%) continued		
	Medical-Biomedical/Gene: 69.24% (2021: 66.45%) continued		
925,000	Incyte	74,296,000	4.67
2,071,242	Infinity Pharmaceuticals	1,149,539	0.07
1,500,000	Insmed	29,970,000	1.89
400,000	Intra-Cellular Therapies	21,168,000	1.33
1,000,000	Inventiva SA	4,775,944	0.30
750,000	MoonLake Immunotherapeutics	7,875,000	0.50
1,500,000	Pliant Therapeutics	28,995,000	1.82
117,500	Regeneron Pharmaceuticals	84,775,075	5.33
650,000	Seagen	83,531,500	5.25
500,000	Swedish Orphan Biovitrum	10,350,785	0.65
5,000,000	Valneva	33,212,823	2.09
290,000	Vertex Pharmaceuticals	83,746,200	5.27
1,750,000	Xenon Pharmaceuticals	69,002,500	4.34
1,750,000	Y-mAbs Therapeutics	8,540,000	0.54
	Total Medical-Biomedical/Gene	1,100,816,473	69.24
	Medical-Drugs: 19.10% (2021: 22.82%)		
750,000	Alkermes plc	19,597,500	1.23
350,000	AstraZeneca	47,229,469	2.97
750,000	Bicycle Therapeutics	22,200,000	1.40
525,000	Harmony Biosciences	28,927,500	1.82
675,000	Mirum Pharmaceuticals	13,162,500	0.83
325,000	Morphic Holding	8,693,750	0.55
1,125,000	Sanofi	54,483,750	3.43
875,000	Supernus Pharmaceuticals	31,211,250	1.96
350,000	UCB	27,477,421	1.73
1,750,000	Zealand Pharma	50,582,317	3.18
	Total Medical-Drugs	303,565,457	19.10
	Therapeutics: 1.86% (2021: Nil)		
750,000	Merus	11,602,500	0.73
150,000	Neurocrine Biosciences	17,916,000	1.13
	Total Therapeutics	29,518,500	1.86
	Total Equities	1,545,857,592	97.24

Portfolio Statements continued

As at 31 December 2022

Biotechnology Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Warrants: Nil (2021: 0.22%)		
19,000,000	Wts. C4X Discovery 31-Dec-2040	–	–
	Total Warrants	–	–
	Total Transferable Securities	1,545,857,592	97.24

Open Forward Currency Contracts: Nil (2021: 0.21%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	%of Net Assets
USD 110,850	EUR 104,464	1.0611	03/01/2023	639	–
USD 97,245	EUR 91,643	1.0611	03/01/2023	561	–
GBP 580	USD 705	1.2151	31/01/2023	7	–
USD 215	EUR 202	1.0620	03/01/2023	1	–
USD 220	EUR 207	1.0620	03/01/2023	1	–
GBP 33	USD 39	1.2040	31/01/2023	–	–
GBP 6	USD 7	1.2153	31/01/2023	–	–
GBP –	USD –	1.0000	03/01/2023	–	–
USD –	GBP –	1.0000	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				1,209	0.00
Total Financial Assets at fair value through profit or loss				1,545,858,801	97.24

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.03%) (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 51,862,434	GBP 42,680,072	1.2151	31/01/2023	(487,645)	(0.03)
USD 40,752	GBP 33,759	1.2071	31/01/2023	(115)	–
USD 546	GBP 450	1.2123	31/01/2023	(4)	–
USD 613	GBP 508	1.2066	03/01/2023	(2)	–
USD 101,659	GBP 84,510	1.2029	03/01/2023	(2)	–
USD 379	GBP 314	1.2062	31/01/2023	(1)	–
USD 39	GBP 33	1.2031	03/01/2023	–	–
USD 175	GBP 145	1.2040	31/01/2023	–	–
USD 10,462	GBP 8,697	1.2029	03/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(487,769)	(0.03)
Total Financial Liabilities at fair value through profit or loss				(487,769)	(0.03)

	Fair Value US$	% of NetAssets
Total Value of Investments (Cost: US$1,616,665,654)	1,545,371,032	97.21
Cash at Bank	53,355,886	3.36
Other Net Liabilities	(8,927,352)	(0.57)
Net Assets Attributable to Holders of Redeemable Participating Shares	1,589,799,566	100.00

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

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	96.40	98.82
OTC Financial derivative instruments	–	0.21
Other assets	3.60	0.97
	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 2022

China Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.12% (2021: 95.21%)		
	Communications: 28.89% (2021: 27.70%)		
6,465	Alibaba ADR	569,502	3.14
68,600	Alibaba Group	758,076	4.17
8,606	JD.com Inc	483,055	2.66
6,656	Kuaishou Technology	60,591	0.33
1,029	Meituan ADR	45,523	0.25
38,900	Meituan Dianping Class B	870,707	4.79
10,200	NetEase	149,636	0.82
2,638	Prosus	181,453	1.00
1,702	Tencent	72,097	0.40
42,600	Tencent ADR	1,822,997	10.04
600	Trip.com	21,033	0.12
6,150	Trip.com ADR	211,560	1.17
	Total Communications	5,246,230	28.89
	Consumer Discretionary: 5.04% (2021: 1.25%)		
11,296	Huazhu ADR	479,176	2.64
18,700	Huazhu	80,623	0.44
12,623	JD.com Inc Class A	356,131	1.96
	Total Consumer Discretionary	915,930	5.04
	Consumer Staples: 1.52% (2021: Nil)		
156,000	Tingyi Cayman Islands	275,425	1.52
	Total Consumer Staples	275,425	1.52
	Consumer, Cyclical: 8.22% (2021: 13.68%)		
9,500	BYD	234,428	1.29
173,000	China Meidong Auto	355,090	1.96
36,900	Gree Electric Appliancesof Zhuhai	172,371	0.95
13,600	Mango Excellent Media Co Ltd	59,009	0.32
89,800	Midea	672,314	3.70
	Total Consumer, Cyclical	1,493,212	8.22
	Consumer, Non-cyclical: 11.94% (2021: 16.12%)		
15,500	Centre Testing International	49,958	0.28
97,410	China Building Material Test & Certification	181,618	1.00
1,301,292	China Foods	466,834	2.57
9,576	China Resources Sanjiu Medical & Pharmaceutical	64,787	0.36
35,821	Foshan Haitian Flavouring & Food	412,113	2.27
38,086	Jiangsu Hengrui Medicine	212,095	1.17
253,500	Manpower Greater China	214,689	1.18

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.12% (2021: 95.21%) continued		
	Consumer, Non-cyclical: 11.94% (2021: 16.12%) continued		
529,001	Microport Cardioflow Medtech	176,900	0.97
91,500	Venus MedTech (HangZhou) Inc	167,175	0.92
307,000	Zhou Hei Ya International Holdings Co Ltd	221,057	1.22
	Total Consumer, Non-cyclical	2,167,226	11.94
	Energy: 0.31% (2021: 0.46%)		
1,000	Contemporary Amperex Technology Co Ltd	56,862	0.31
	Total Energy	56,862	0.31
	Financial: 14.74% (2021: 14.05%)		
131,605	Binjiang Service Group Co Ltd	321,722	1.77
1,123,000	China Construction Bank	703,588	3.88
121,100	China Merchants Bank Class A	652,158	3.59
10,000	Hong Kong Exchanges & Clearing	432,034	2.38
77,000	Longfor	239,733	1.32
24,400	Ping An Insurance Groupof China Class A	165,750	0.91
24,500	Ping An Insurance Groupof China Class H	162,131	0.89
	Total Financial	2,677,116	14.74
	Health Care: 0.86% (2021: Nil)		
422	BeiGene	92,815	0.51
1,317	STAAR Surgical	63,927	0.35
	Total Health Care	156,742	0.86
	Industrial: 11.75% (2021: 9.00%)		
1,172,000	China State Construction Development	262,782	1.45
135,658	Hefei Meiya Optoelectronic Technology	468,608	2.58
42,746	Hongfa Technology	206,414	1.14
28,600	Jiangsu Hengli Hydraulic	261,039	1.44
52,000	Morimatsu International	57,763	0.32
47,100	S.F. Holding Co Ltd	393,200	2.16
54,650	Shenzhen Inovance Technology	548,960	3.02
692,000	Xin Point	199,489	1.10
	Total Industrial	2,398,255	13.21
28,000	Anhui Conch Cement	97,938	0.54
23,800	Beijing Oriental Yuhong Waterproof Technology	115,476	0.64
	Total Materials	213,414	1.18

Portfolio Statements continued

As at 31 December 2022

China Stars Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.12% (2021: 95.21%) continued		
	Participatory Notes: 1.56% (2021: 3.28%)		
1,305	CLSA Global Market	18,168	0.10
6,109	CLSA OPT Machine Vision Tech	115,999	0.64
40,036	Zhejiang Heda Technology Co Ltd	148,989	0.82
	Total Participatory Notes	283,156	1.56
	Real Estate: 1.73% (2021: 1.12%)		
11,300	KE	53,569	0.30
18,661	KE Holdings Inc	260,507	1.43
	Total Real Estate	314,076	1.73
	Technology: 9.92% (2021: 8.55%)		
2,962	Beijing Huafeng Test & Control Technology	118,358	0.65
174,311	Dadi Early-Childhood Education	572,804	3.15
45,588	Glodon	395,008	2.18
6,000	MediaTek Inc	122,009	0.67
3,768	NetEase ADR	273,670	1.51
4,000	Silergy	56,807	0.31
7	Taiwan Semiconductor Manufacturing	521	0.00
18,000	Taiwan Semiconductor Manufacturing	262,661	1.45
	Total Technology	1,801,838	9.92
	Total Equities	17,999,482	99.12
	Total Transferable Securities	17,999,482	99.12

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

		Fair Value US$	% of Net Assets
	Total Value of Investments (Cost: US$ 20,886,116)	17,999,482	99.12
	Cash at Bank	448,422	2.47
	Other Net Liabilities	(288,009)	(1.59)
	Net Assets Attributable to Holders of Redeemable Participating Shares	18,159,895	100.00

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	96.54	95.00
Other assets	3.46	5.00
	100.00	100.00

Emerging Markets Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 97.56% (2021: 98.50%)		
	Australia: 2.28% (2021: Nil)		
1,916,379	Allkem	14,607,419	1.37
1,792,236	Lynas Rare Earths	9,540,928	0.90
	Total Australia	24,148,347	2.26
	Bermuda: Nil (2021: 0.64%)	–	–
	Brazil: 4.35% (2021: 0.89%)		
3,852,283	Itau Unibanco	18,240,840	1.70
3,819,951	Raia Drogasil	17,161,653	1.60
2,039,524	TOTVS	10,669,379	1.00
	Total Brazil	46,071,872	4.30
	Canada: 2.99% (2021: 3.06%)		
4,006,919	Ivanhoe Mines	31,642,521	2.69
	Total Canada	31,642,521	2.69
	Cayman Islands: 23.65% (2021: 21.46%)		
4,229,440	Alibaba Group Holdings	46,738,186	4.36
1,993,607	JD Health International	18,224,827	1.70
1,512,951	JD.Com Inc	42,684,682	3.99
1,611,339	Meituan Dianping	36,066,973	3.37
347,444	Sea ADR	18,077,511	1.69
696,121	Silergy	9,886,184	0.92
1,843,771	Tencent	78,901,148	7.37
	Total Cayman Islands	250,579,511	23.40
	Cyprus: Nil (2021: 0.81%)	–	–
	Hong Kong: 3.11% (2021: 1.08%)		
2,996,401	AIA	33,323,417	3.11
	Total Hong Kong	33,323,417	3.11
	India: 17.02% (2021: 18.53%)		
187,759	Apollo Hospitals	10,162,090	0.95
346,587	Coforge Ltd	16,271,952	1.52
160,291	Dixon Technologies	7,565,239	0.71
1,379,542	HDFC Bank ADR	27,149,780	2.53
1,981,615	ICICI Bank	21,338,350	1.99
1,973,754	Phoenix Mills	33,937,690	3.17
2,509,064	Prestige Estates Projects	14,058,704	1.31
1,456,316	Reliance Industries – Restricted	44,838,972	4.19
1,755,793	Sunteck Realty	6,999,402	0.65
	Total India	182,322,179	17.02

Portfolio Statements continued

As at 31 December 2022

Emerging Markets Stars Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 97.56% (2021: 98.50%) continued		
	Luxembourg: 1.64% (2021: Nil)		
104,170	Globant	17,517,227	1.64
	Total Luxembourg	17,517,227	1.64
	Mexico: 1.47% (2021: Nil)		
2,175,897	Grupo Financiero Banorte	15,621,996	1.46
	Total Mexico	15,621,996	1.46
	Netherlands: Nil (2021: 0.98%)	–	–
	People's Republic of China: 6.19% (2021: 4.66%)		
2,228,530	Ganfeng Lithium	16,646,269	1.55
2,724,882	Shenzhen Inovance Technology	27,371,499	2.56
787,415	Sungrow Power Supply	12,723,646	1.19
5,242,479	Venus MedTech (HangZhou) Inc	9,578,249	0.89
	Total People's Republic of China	66,319,663	6.19
	Republic of South Korea: 11.28% (2021: 18.65%)		
249,953	Daejoo Electronic Materials	14,034,530	1.31
602,000	Koh Young Technology	6,069,988	0.57
95,756	Naver	13,441,431	1.25
1,454,262	Samsung Electronics	63,598,805	5.94
50,562	Samsung SDI	23,631,587	2.21
	Total Republic of South Korea	120,776,341	11.28
	Saudi Arabia: 1.76% (2021: Nil)		
2,177,982	Alinma Bank	18,864,639	1.76
	Total Saudi Arabia	18,864,639	1.76
	Singapore: 0.86% (2021: 2.05%)		
479,572	OPT Machine Vision Tech	9,106,191	0.85
	Total Singapore	9,106,191	0.85
	Taiwan: 15.11% (2021: 18.14%)		
598,010	Andes Technology	9,679,686	0.90
2,939,154	Chroma ATE	17,308,548	1.62
530,481	eMemory Technology	23,041,504	2.15
2,516,203	LandMark Optoelectronics	8,677,832	0.81
767,283	MediaTek	15,602,540	1.46
5,875,485	Taiwan Semiconductor Manufacturing	85,736,527	8.00
	Total Taiwan	160,046,637	14.94

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 97.56% (2021: 98.50%) continued		
	United States: 2.39% (2021: 4.03%)		
30,229	MercadoLibre	25,580,989	2.39
	Total United States	25,580,989	2.39
	Vietnam: 4.00% (2021: 2.80%)		
2,313,960	FPT	7,547,975	0.71
8,539,080	Vietnam Technological & Commercial Joint Stock Bank	9,363,106	0.87
7,691,377	Vincom Retail	8,580,412	0.80
8,540,133	Vinhomes	17,388,182	1.62
	Total Vietnam	42,879,675	4.00
	Virgin Islands: Nil (2021: 0.72%)	–	–
	Total Equities	1,044,801,205	97.56
	Total Transferable Securities	1,044,801,205	97.56
	Total Financial Assets at fair value through profit or loss	1,044,801,205	97.56

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

		Fair Value US$	% of Net Assets
	Total Value of Investments (Cost: US$ 1,328,372,070)	1,044,801,205	97.56
	Cash at Bank	37,128,452	3.47
	Other Net Liabilities	(10,984,175)	(1.03)
	Net Assets Attributable to Holders of Redeemable Participating Shares	1,070,945,482	100.00

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.38	97.87
Other assets	4.62	3.12
	100.0	100.00

Portfolio Statements continued

As at 31 December 2022

European (ex UK) Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
	Equities: 99.67% (2021: 97.44%)		
	Basic Materials: 9.75% (2021: 3.21%)		
21,770	Air Liquide	2,882,348	2.41
13,249	Air Liquide – Prime Fidelite 2024	1,754,168	1.46
57,087	Brenntag	3,409,236	2.84
104,367	UPM-Kymmene	3,645,539	3.04
	Total Basic Materials	11,691,291	9.75
	Communications: 15.31% (2021: 15.20%)		
253,775	Deutsche Telekom	4,729,858	3.94
1,289,301	Koninklijke KPN	3,726,080	3.11
854,998	NOS	3,235,312	2.70
416,806	Orange	3,868,377	3.23
364,491	Telenet	2,789,352	2.33
	Total Communications	18,348,979	15.31
	Consumer Discretionary: 1.77% (2021: Nil)		
3,120	LVMH Moet Hennessy Louis Vuitton	2,121,288	1.77
	Total Consumer Discretionary	2,121,288	1.77
	Consumer, Cyclical: 3.38% (2021: 3.01%)		
163,135	Industria de Diseno Textil	4,053,905	3.38
	Total Consumer, Cyclical	4,053,905	3.38
	Consumer, Non-cyclical: 22.85% (2021: 37.00%)		
87,464	Danone	4,305,853	3.59
35,522	Heineken	3,121,673	2.60
69,874	Novartis	5,915,182	4.93
17,709	Roche	5,210,008	4.35
61,268	Sanofi	5,504,317	4.59
52,295	Societe BIC	3,344,265	2.79
	Total Consumer, Non-cyclical	27,401,298	22.85
	Energy: 4.94% (2021: 5.08%)		
101,047	TotalEnergies	5,926,406	4.94
	Total Energy	5,926,406	4.94

Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
	Equities: 99.67% (2021: 97.44%) continued		
	Financial: 19.74% (2021: 17.31%)		
13,635	Muenchener Rueckversicherungs-Gesellschaftin Muenchen	4,145,040	3.46
79,533	Sampo Plc	3,882,801	3.24
164,937	SCOR	3,544,496	2.95
45,949	Swiss Re	4,024,296	3.36
162,718	TRYG	3,618,052	3.02
9,928	Zurich Insurance Group	4,447,100	3.71
	Total Financial	23,661,785	19.74
	Industrial: 21.93% (2021: 13.56%)		
143,669	Assa Abloy	2,890,121	2.41
146,060	Cia de Distribucion Integral Logista	3,447,016	2.88
96,086	Deutsche Post	3,380,305	2.82
27,081	Schneider Electric	3,540,028	2.95
1,685	SGS	3,668,906	3.06
38,647	Siemens	5,010,197	4.18
46,711	Vinci	4,357,669	3.63
	Total Industrial	26,294,242	21.93
	Utilities: Nil (2021: 3.07%)	–	–
	Total Equities	119,499,194	99.67
	Warrants: Nil (2021: 0.10%)		
	Total Transferable Securities	119,499,194	99.67

Open Forward Currency Contracts: Nil (2021: 0.02%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain EUR€	% of Net Assets
GBP 7,393	EUR 8,344	1.1286	31/01/2023	20	–
GBP 56	EUR 63	1.1287	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				20	–
Total Financial Assets at fair value through profit or loss				119,499,214	99.67

Portfolio Statements continued

As at 31 December 2022

European (ex UK) Income Fund continued

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.02%) (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss EUR€	% of Net Assets
EUR 656,886	GBP 576,720	1.1390	31/01/2023	(7,522)	(0.01)
EUR 618,459	GBP 542,982	1.1390	31/01/2023	(7,082)	(0.01)
EUR 427,749	GBP 375,546	1.1390	31/01/2023	(4,898)	–
EUR 31,518	GBP 27,925	1.1286	31/01/2023	(75)	–
EUR 3,403	GBP 3,000	1.1345	31/01/2023	(26)	–
EUR 3,681	GBP 3,250	1.1328	31/01/2023	(22)	–
EUR 1,638	GBP 1,438	1.1390	31/01/2023	(19)	–
EUR 1,377	GBP 1,214	1.1345	31/01/2023	(10)	–
EUR 570	GBP 500	1.1390	31/01/2023	(6)	–
EUR 570	GBP 500	1.1390	31/01/2023	(6)	–
EUR 353	GBP 313	1.1286	31/01/2023	(1)	–
Total unrealised loss on forward foreign currency contracts				(19,667)	(0.02)
Total Financial Liabilities at fair value through profit or loss				(19,667)	(0.02)

	Fair Value EUR€	% of Net Assets
Total Value of Investments (Cost: EUR€ 116,325,234)	119,479,547	99.65
Cash at Bank	(2,642,061)	(2.20)
Other Net Assets	3,063,875	2.55
Net Assets Attributable to Holders of Redeemable Participating Shares	119,901,361	100.00

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

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.18	95.36
OTC Financial derivative instruments	–	0.02
Other assets	4.82	4.62
	100.00	100.00

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

Financial Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 94.83% (2021: 93.73%)		
	Australia: 1.23% (2021: 0.91%)		
2,054	Macquarie Group	232,562	1.23
	Total Australia	232,562	1.23
	Bermuda: 1.81% (2021: 4.29%)		
5,479	Arch Capital	343,972	1.81
	Total Bermuda	343,972	1.81
	Canada: 3.10% (2021: 2.80%)		
9,100	Toronto-Dominion Bank	588,802	3.10
	Total Canada	588,802	3.10
	Cayman Islands: 0.41% (2021: 1.29%)		
11,000	Chailease	77,663	0.41
	Total Cayman Islands	77,663	0.41
	Cyprus: Nil (2021: 0.48%)	–	–
	Finland: 1.38% (2021: 3.73%)		
24,487	Nordea Bank Abp	262,461	1.38
	Total Finland	262,461	1.38
	France: Nil (2021: 1.90%)	–	–
	Hong Kong: 6.26% (2021: 2.82%)		
53,209	AIA	591,745	3.12
81,000	BOC Hong Kong	276,055	1.46
7,400	Hong Kong Exchanges & Clearing	319,705	1.68
	Total Hong Kong	1,187,505	6.26
	India: 7.67% (2021: 5.61%)		
22,758	Axis Bank	256,863	1.35
42,376	HDFC Bank	833,972	4.39
24,768	IndusInd Bank	365,278	1.93
	Total India	1,456,113	7.67

Portfolio Statements continued

As at 31 December 2022

Financial Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 94.83% (2021: 93.73%) continued		
	Indonesia: 4.01% (2021: 2.74%)		
674,300	Bank Central Asia	370,340	1.95
1,228,600	Bank Rakyat Indonesia Persero	389,869	2.06
	Total Indonesia	760,209	4.01
	Ireland: 2.40% (2021: Nil)		
117,919	AIB Group plc	455,070	2.40
	Total Ireland	455,070	2.40
	Italy: 1.65% (2021: 2.59%)		
18,922	FinecoBank SPA	313,419	1.65
	Total Italy	313,419	1.65
	Japan: 2.98% (2021: 2.05%)		
14,100	Sumitomo Mitsui Financial	565,945	2.98
	Total Japan	565,945	2.98
	Malaysia: 1.14% (2021: Nil)		
46,400	Hong Leong Bank	216,568	1.14
	Total Malaysia	216,568	1.14
	Mexico: Nil (2021: 0.83%)	–	–
	Netherlands: 1.41% (2021: 1.41%)		
194	Adyen	266,759	1.41
	Total Netherlands	266,759	1.41
	Norway: 2.15% (2021: Nil)		
20,722	DNB	409,034	2.15
	Total Norway	409,034	2.15
	Republic of South Korea: Nil (2021: 0.99%)	–	–

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 94.83% (2021: 93.73%) continued		
	Singapore: 2.35% (2021: 1.08%)		
17,600	DBS	445,118	2.35
	Total Singapore	445,118	2.35
	Spain: 1.38% (2021: Nil)		
66,843	Caixabank	261,954	1.38
	Total Spain	261,954	1.38
	Sweden: Nil (2021: 0.27%)	–	–
	Switzerland: 4.16% (2021: 4.87%)		
1,825	Chubb	402,595	2.12
20,842	UBS	387,577	2.04
	Total Switzerland	790,172	4.16
	Thailand: 0.50% (2021: 2.28%)		
33,300	Tisco Financial	95,424	0.50
	Total Thailand	95,424	0.50
	United Kingdom: 10.08% (2021: 10.52%)		
194,444	Atom Bank	163,728	0.86
20,896	Gresham House	189,775	1.00
98,681	HSBC	612,153	3.23
21,854	OSB	126,131	0.66
30,034	Prudential	407,342	2.15
36,800	Standard Chartered	275,516	1.45
20,507	WISE	138,831	0.73
	Total United Kingdom	1,913,476	10.08

Portfolio Statements continued

As at 31 December 2022

Financial Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 94.83% (2021: 93.73%) continued		
	United States: 37.93% (2021: 39.21%)		
2,218	Ares Management Corp	151,800	0.80
24,850	Bank of America	823,032	4.34
6,675	Citizens Financial	262,795	1.38
1,525	Cullen/Frost Bankers	203,892	1.07
3,064	East West Bancorp	201,918	1.06
4,171	Enterprise Financial Services	204,212	1.08
4,436	Esquire Financial	191,901	1.01
7,822	Flywire	191,404	1.01
8,211	JPMorgan Chase	1,101,095	5.80
1,757	Marsh & McLennan Cos	290,748	1.53
1,237	Mastercard	430,142	2.27
165	MercadoLibre	139,630	0.74
3,575	Morgan Stanley	303,947	1.60
476	MSCI	221,421	1.17
3,917	PayPal	278,969	1.47
2,779	PNC Financial Services Group	438,915	2.31
542	Signature Bank	62,449	0.33
723	SVB Financial	166,391	0.88
8,579	US Bancorp	374,130	1.97
2,379	Visa	494,261	2.60
16,154	Wells Fargo	666,999	3.51
	Total United States	7,200,051	37.93
	Vietnam: 0.83% (2021: 1.06%)		
46,538	Joint Stock Commercial Bank for Foreign Trade of Vietnam	157,923	0.83
	Total Vietnam	157,923	0.83
	Total Equities	18,000,200	94.83
	Total Transferable Securities	18,000,200	94.83
	Total Financial Assets at fair value through profit or loss	18,000,200	94.83

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

	Fair Value US$	% of Net Assets
Total Value of Investments Cost: US$18,271,487)	18,000,200	94.83
Cash at Bank	1,165,213	6.14
Other Net Liabilities	(184,518)	(0.97)
Net Assets Attributable to Holders of Redeemable Participating Shares	18,980,895	100.00

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	93.88	93.53
Other assets	6.12	6.47
	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 2022

Global Absolute Return Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Corporate Bonds: 98.52% (2021: 107.28%)		
	Canada: 1.24% (2021: 0.48%)		
1,100,000	Ivanhoe Mines 2.500% 15/04/2026	1,352,450	1.24
	Total Canada	1,352,450	1.24
	Cayman Islands: 5.10% (2021: Nil)		
1,000,000	Microport Scientific 0.000% 11/06/2026	785,000	0.72
4,500,000	ZTO Express Cayman 1.500% 01/09/2027	4,765,500	4.38
	Total Cayman Islands	5,550,500	5.10
	Democratic Republic of the Congo: 1.12% (2021: Nil)		
1,600,000	HTA /Mauritius 2.875% 18/03/2027	1,213,896	1.12
	Total Democratic Republic of the Congo	1,213,896	1.12
	France: 6.55% (2021: Nil)		
3,500,000	Neoen 2.875% 14/09/2027	3,777,878	3.47
3,000,000	Ubisoft Entertainment 2.375% 15/11/2028	3,349,104	3.08
	Total France	7,126,982	6.55
	Germany: 2.48% (2021: Nil)		
2,400,000	SGL Carbon 5.750% 21/09/2027	2,695,260	2.48
	Total Germany	2,695,260	2.48
	Israel: Nil (2021: 3.02%)	–	–
	Japan: Nil (2021: 3.19%)	–	–
	Jersey: 2.45% (2021: Nil)		
2,250,000	Encore Capital Europe Finance 4.500% 01/09/2023	2,664,000	2.45
	Total Jersey	2,664,000	2.45
	Luxembourg: 0.86% (2021: 1.59%)		
15,000	ArcelorMittal 5.500% 18/05/2023	930,750	0.86
	Total Luxembourg	930,750	0.86
	Netherlands: 2.29% (2021: 9.15%)		
2,000,000	QIAGEN 0.500% 13/09/2023	2,485,196	2.29
	Total Netherlands	2,485,196	2.29
	People's Republic of China: Nil (2021: 2.13%)	–	–
	Spain: Nil (2021: 6.05%)	–	–
	United Kingdom: 6.24% (2021: 4.75%)		
6,500,000	JET2 1.625% 10/06/2026	6,783,866	6.24
	Total United Kingdom	6,783,866	6.24

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Corporate Bonds: 98.52% (2021: 107.28%) continued		
	United States: 69.08% (2021: 76.92%)		
700,000	Akamai Technologies 0.125% 01/05/2025	738,500	0.68
3,750,000	Array Technologies 1.000% 01/12/2028	3,830,625	3.52
4,500,000	Axon Enterprise 0.500% 15/12/2027	4,482,000	4.12
1,440,000	BigBear.ai 6.000% 15/12/2026	972,000	0.89
4,500,000	Blackline 0.000% 15/03/2026	3,855,938	3.55
2,000,000	Bloomin' Brands 5.000% 01/05/2025	3,655,000	3.36
1,500,000	Ceridian HCM 0.250% 15/03/2026	1,322,250	1.22
4,500,000	Chefs' Warehouse 2.375% 15/12/2028	4,519,800	4.16
6,000,000	Cloudflare 0.000% 15/08/2026	4,920,000	4.52
4,500,000	Coupa Software 0.125% 15/06/2025	4,370,850	4.02
1,500,000	Dexcom 0.250% 15/11/2025	1,638,750	1.51
2,250,000	Guardant Health 0.000% 15/11/2027	1,410,525	1.30
2,000,000	Halozyme Therapeutics 1.000% 15/08/2028	2,366,250	2.18
3,500,000	indie Semiconductor 4.500% 15/11/2027	3,461,500	3.18
4,000,000	Lantheus 2.625% 15/12/2027	4,047,600	3.72
1,500,000	Lumentum 0.500% 15/06/2028	1,142,850	1.05
4,500,000	Marriott Vacations Worldwide 3.250% 15/12/2027	4,455,000	4.10
1,500,000	Middleby 1.000% 01/09/2025	1,770,750	1.63
3,300,000	MP Materials 0.250% 01/04/2026	2,899,875	2.67
4,750,000	Nutanix 0.250% 01/10/2027	3,997,125	3.68
2,500,000	Sarepta Therapeutics 1.250% 15/09/2027	2,893,750	2.66
4,400,000	Sasol Financing USA 4.500% 08/11/2027	4,673,240	4.30
1,500,000	Snap 0.750% 01/08/2026	1,276,125	1.17
3,000,000	Sunnova Energy International 2.625% 15/02/2028	2,437,500	2.24
2,000,000	Topgolf Callaway Brands 2.750% 01/05/2026	2,611,250	2.40
1,000,000	Vertex Energy 6.250% 01/10/2027	1,363,212	1.25
	Total United States	75,112,265	69.08
	Vietnam: 1.11% (2021: Nil)		
1,600,000	VinJSC 3% 20/04/2026 3.000% 20/04/2026	1,208,800	1.11
	Total Vietnam	1,208,800	1.11
	Total Corporate Bonds	107,123,965	98.52
	Equities: 3.49% (2021: Nil)		
	United States: 3.49% (2021: Nil)		
75,000	Chart Industries	3,798,000	3.49
	Total United States	3,798,000	3.49
	Total Equities	3,798,000	3.49
	Total Transferable Securities	110,921,965	102.01

Portfolio Statements continued

As at 31 December 2022

Global Absolute Return Fund continued

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain US$	% of Net Assets
	Contracts for Difference (on Equities) – Unrealised Gains: 3.45% (2021: 0.48%)		
	Finland: 0.03% (2021: Nil)		
(588,962)	Outokumpu	29,373	0.03
	Total Finland	29,373	0.03
	France: 0.19% (2021: Nil)		
(16,400)	Remy Cointreau	180,458	0.16
(4,060)	S.O.I.T.E.C.	31,240	0.03
	Total France	211,698	0.19
	Japan: 0.03% (2021: Nil)		
(29,000)	All Nippon Airways	11,379	0.01
(49,300)	Kyoritsu Maintenance	18,679	0.02
	Total Japan	30,058	0.03
	Netherlands: 0.12% (2021: Nil)		
(23,400)	BE Semiconductor Industrials	133,232	0.12
	Total Netherlands	133,232	0.12
	South Africa: 0.07% (2021: Nil)		
(163,000)	Sasol	74,170	0.07
	Total South Africa	74,170	0.07
	Switzerland: 0.25% (2021: Nil)		
(8,614)	Sika	274,953	0.25
	Total Switzerland	274,953	0.25
	United Kingdom: 0.04% (2021: Nil)		
(215,000)	BP Capital Markets	13,914	0.01
(137,433)	Ocado	21,298	0.02
(89,798)	Shaftesbury Reits	5,501	0.01
	Total United Kingdom	40,713	0.04
	United States: 2.72% (2021: 0.48%)		
(13,200)	Axon Enterprise	89,759	0.08
(199,696)	Bloomin' Brand	680,236	0.63
(26,700)	Chart Industries	133,016	0.12
(103,744)	Chefs' Warehouse	284,387	0.26
(13,904)	Dexcom	23,342	0.02
(59,016)	Encore Capital Europe Finance	533,608	0.49
(210,000)	Indie Semiconductor	270,453	0.25
(36,000)	Lantheus	162,141	0.15

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain US$	% of Net Assets
	Contracts for Difference (on Equities) – Unrealised Gains: 3.45% (2021: 0.48%) continued		
	United States: 2.72% (2021: 0.48%) continued		
(12,200)	Lumentum	14,528	0.01
(15,000)	Marriott Vacations	101,330	0.09
(13,791)	Middleby	73,442	0.07
(30,000)	MP Materials	60,696	0.06
(75,196)	Sunnova Energy	326,490	0.30
(80,000)	Vertex Energy	202,579	0.19
	Total United States	2,956,007	2.72
	Total Contracts for Difference (on Equities) – Unrealised Gains	3,750,204	3.45
	Contracts for Difference (on Bonds) – Unrealised Gains: 3.73% (2021: Nil)		
	Finland: 0.02% (2021: Nil)		
(2,000,000)	Outokumpu	21,756	0.02
	Total Finland	21,756	0.02
	Germany: 0.02% (2021: Nil)		
(2,000,000)	Duerr	26,317	0.02
	Total Germany	26,317	0.02
	Japan: 0.03% (2021: Nil)		
(200,000,000)	ANA	29,359	0.03
	Total Japan	29,359	0.03
	Luxembourg: 0.04% (2021: Nil)		
(4,000,000)	Oliver Capital	37,527	0.04
	Total Luxembourg	37,527	0.04
	Netherlands: 3.24% (2021: Nil)		
(500,000)	BE Semiconductor Industries	6,108	–
(4,500,000)	Just Eat Takeaway.com	8,188	0.01
(10,000,000)	Siemens Energy Finance	3,509,493	3.23
	Total Netherlands	3,523,789	3.24
	Sweden: 0.32% (2021: Nil)		
3,000,000)	Geely Sweden Financials	351,653	0.32
	Total Sweden	351,653	0.32

Portfolio Statements continued

As at 31 December 2022

Global Absolute Return Fund continued

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain US$	% of Net Assets
	Contracts for Difference (on Bonds) – Unrealised Gains: 3.73% (2021: Nil) continued		
	United Kingdom: 0.06% (2021: Nil)		
(2,400,000)	BP Capital Markets	41,414	0.04
(4,000,000)	Capital & Counties Properties 2% 30/03/2026	19,081	0.02
	Total United Kingdom	60,495	0.06
	Total Contracts for Difference (on Bonds) – Unrealised Gains	4,050,896	3.73

Futures Contracts – Unrealised Gains: 0.05% (2021: Nil)

Description	Country	Currency	No. of Contracts	Unrealised Gain	% of Net Assets
United States: 0.05% (2021: Nil)					
Future British Pound Mar23	US	USD	(54)	57,523	0.05
Total United States				57,523	0.05
Total Futures Contracts – Unrealised Gains				57,523	0.05

Open Forward Currency Contracts: 0.01% (2021: 1.34%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
USD 6,555,899	EUR 6,145,347	1.0668	31/01/2023	13,832	0.01
USD 346,134	EUR 324,458	1.0668	31/01/2023	730	–
GBP 7,442	USD 9,022	1.2123	31/01/2023	64	–
GBP 14,479	USD 17,465	1.2062	31/01/2023	36	–
USD 4,469	EUR 4,212	1.0610	03/01/2023	27	–
USD –	EUR –	1.0588	31/01/2023	–	–
EUR –	USD –	1.0588	03/01/2023	–	–
GBP 10	USD 12	1.2064	31/01/2023	–	–
GBP 28	USD 34	1.2061	31/01/2023	–	–
USD –	GBP –	1.2500	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				14,689	0.01
Total Financial Assets at fair value through profit or loss				118,795,277	109.25

Financial liabilities at fair value through profit or loss

Options Written: Nil (2021: (0.66%))

Description	Base Currency	Strike Price	No. of Contracts	Maturity Date	Fair Value US$	% of Net Assets
Array Technologies	USD	25	(500)	20/01/2023	(5,500)	–
Total Options Written					(5,500)	–

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US$	% of Net Assets
	Contracts for Difference (on Equities) – Unrealised Losses: (5.07%) (2021: (0.92%))		
	Belgium: Nil (2021: (0.01%))	–	–
	France: (0.09%) (2021: Nil)		
(42,500)	Neoen	(76,484)	(0.07)
(28,120)	Ubisoft Entertainment	(27,292)	(0.02)
	Total France	(103,776)	(0.09)
	Germany: (3.53%) (2021: (0.04%))		
(51,209)	Duerr	(1,910)	–
(58,600)	Gea	(32,105)	(0.03)
(48,200)	QIAGEN	(148,812)	(0.14)
(169,134)	SGL Carbon	(52,277)	(0.05)
(620,000)	Siemens Energy	(3,602,049)	(3.31)
	Total Germany	(3,837,153)	(3.53)
	Hong Kong: Nil (2021: Nil)	–	–
	Japan: (0.01%) (2021: Nil)		
(39,000)	Nichicon	(6,431)	(0.01)
	Total Japan	(6,431)	(0.01)
	Luxembourg: (0.01%) (2021: (0.13%))		
(15,000)	ArcelorMittal	(9,345)	(0.01)
	Total Luxembourg	(9,345)	(0.01)
	Netherlands: Nil (2021: (0.06%))	–	–
	Spain: Nil (2021: (0.06%))	–	–
	Sweden: (0.19%) (2021: Nil)		
(181,622)	Volvo	(207,390)	(0.19)
	Total Sweden	(207,390)	(0.19)
	United Kingdom: (0.01%) (2021: (0.07%))		
(136,500)	Jet2	(6,720)	(0.01)
	Total United Kingdom	(6,720)	(0.01)
	United States: (1.23%) (2021: (0.55%))		
(107,330)	Array Technologies	(182,880)	(0.17)
(28,500)	Halozyme Therapeutics	(365,724)	(0.34)
(12,700)	Sarepta Therapeutics	(248,950)	(0.23)
(110,332)	Topgolf Callaway Brands	(6,267)	–
(115,704)	ZTO Express Cayman ADR	(536,865)	(0.49)
	Total United States	(1,340,686)	(1.23)
	Total Contracts for Difference (on Equities) – Unrealised Losses	(5,511,501)	(5.07)

Portfolio Statements continued

As at 31 December 2022

Global Absolute Return Fund continued

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US$	% of Net Assets
	Contracts for Difference (on Equities) – Unrealised Losses: (5.07%) (2021: (0.92%)) continued		
	France: (0.63%) (2021: Nil)		
(3,000,000)	Orpar	(485,129)	(0.45)
(10,000)	S.O.I.T.E.C.	(195,643)	(0.18)
	Total France	(680,772)	(0.63)
	Japan: (0.17%) (2021: Nil)		
(300,000,000)	Kyoritsu Maintenance	(43,606)	(0.04)
(400,000,000)	Nichicon	(143,372)	(0.13)
	Total Japan	(186,978)	(0.17)
	Netherlands: (0.41%) (2021: Nil)		
(2,000,000)	Basic-Fit	(447,446)	(0.41)
	Total Netherlands	(447,446)	(0.41)

Holdings	Financial liabilities at fair value through profit or loss	Fair Value US$	% of Net Assets
	Credit Default Swaps: (0.08%) (2021: Nil)		
10,000,000	CDS CCP 5% 20-Dec-2027	(58,240)	(0.05)
5,000,000	CDS CCP CDX 5% 20-Dec-2027	(29,120)	(0.03)
	Total Credit Default Swaps	(87,360)	(0.08)

Futures Contracts – Unrealised Losses: (0.01%) (2021: (0.23%))

	Description	Country	Currency	No. of Contracts	Unrealised Loss US$	% of Net Assets
	United Kingdom: Nil (2021: (0.20%))				–	–
	United States: (0.01%) (2021: (0.03%))					
	Future Euro CME Mar23	US	USD	(20)	(7,875)	(0.01)
	Total United States				(7,875)	(0.01)
	Total Futures Contracts – Unrealised Losses				(7,875)	(0.01)

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.32%) (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 30,994,886	GBP 25,507,171	1.2151	31/01/2023	(291,435)	(0.27)
USD 4,873,811	GBP 4,010,891	1.2151	31/01/2023	(45,827)	(0.04)
USD 1,609,737	GBP 1,324,730	1.2151	31/01/2023	(15,136)	(0.01)
USD 37,856	GBP 31,154	1.2151	31/01/2023	(356)	–
USD 19,746	GBP 16,250	1.2151	31/01/2023	(186)	–
EUR 4,212	USD 4,478	1.0630	31/01/2023	(25)	–
USD 1,155	JPY 150,952	0.0077	31/01/2023	(7)	–
USD 1,155	JPY 150,952	0.0077	31/01/2023	(7)	–
USD 1,155	JPY 150,952	0.0077	31/01/2023	(7)	–
USD 1,155	JPY 150,952	0.0077	31/01/2023	(7)	–
USD 10,836	GBP 9,000	1.2040	31/01/2023	(3)	–
USD 1,439	GBP 1,195	1.2040	31/01/2023	(1)	–
USD 39	GBP 33	1.2122	31/01/2023	–	–
USD 1	GBP 1	1.2182	31/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(352,997)	(0.32)
Total Financial Liabilities at fair value through profit or loss				(8,258,578)	(7.59)

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 85,678,259)	110,536,699	101.66
Bank Overdraft	(3,615,854)	(3.33)
Margin Cash	2,155,848	1.98
Other Net Liabilities	(342,117)	(0.31)
Net Assets Attributable to Holders of Redeemable Participating Shares	108,734,576	100.00

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

The counterparty for the options is Goldman Sachs.

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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	90.03	96.01
Exchange traded financial derivative instruments	3.09	0.43
OTC Financial derivative instruments	0.01	1.19
Other assets	6.87	2.37
	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 2022

Global Convertible Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Corporate Bonds: 99.61% (2021: 78.44%)		
	Belgium: Nil (2021: 1.55%)	–	–
	Canada: 3.94% (2021: 2.59%)		
14,800,000	Ivanhoe Mines 2.500% 15/04/2026	18,196,600	2.43
10,039,000	SSR Mining 2.500% 01/04/2039	11,268,778	1.51
	Total Canada	29,465,378	3.94
	Cayman Islands: 2.76% (2021: 1.73%)		
19,500,000	ZTO Express Cayman 1.500% 01/09/2027	20,650,500	2.76
	Total Cayman Islands	20,650,500	2.76
	Democratic Republic of the Congo: 1.48% (2021: Nil)		
14,600,000	HTA /Mauritius 2.875% 18/03/2027	11,076,805	1.48
	Total Democratic Republic of the Congo	11,076,805	1.48
	Denmark: 3.68% (2021: Nil)		
26,800,000	Ascendis Pharma 2.250% 01/04/2028	27,551,223	3.68
	Total Denmark	27,551,223	3.68
	France: 1.48% (2021: 1.34%)		
3,000,000	Neoen 2.875% 14/09/2027	3,238,181	0.43
7,000,000	Ubisoft Entertainment 2.375% 15/11/2028	7,814,577	1.05
	Total France	11,052,758	1.48
	Germany: 1.28% (2021: 0.81%)		
5,300,000	MorphoSys 0.625% 16/10/2025	2,807,802	0.38
6,000,000	SGL Carbon 5.750% 21/09/2027	6,738,150	0.90
	Total Germany	9,545,952	1.28
	Hong Kong: 0.67% (2021: Nil)		
36,000,000	Cathay Pacific Finance 2.750% 05/02/2026	4,984,913	0.67
	Total Hong Kong	4,984,913	0.67
	India: 0.53% (2021: 0.12%)		
3,000,000	Bharti Airtel 1.500% 17/02/2025	3,978,000	0.53
	Total India	3,978,000	0.53
	Japan: 3.19% (2021: 3.14%)		
1,000,000,000	ANA 0.000% 10/12/2031	8,213,650	1.10
1,010,000,000	Nichicon 0.000% 23/12/2024	7,818,324	1.05
950,000,000	Nippon Steel Class B 0.000% 05/10/2026	7,808,367	1.04
	Total Japan	23,840,341	3.19
	Luxembourg: 0.56% (2021: 0.47%)		
68,000	ArcelorMittal 5.500% 18/05/2023	4,219,400	0.56
	Total Luxembourg	4,219,400	0.56

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Corporate Bonds: 99.61% (2021: 78.44%) continued		
	Maritius: Nil (2021: 0.88%)	–	–
	Netherlands: Nil (2021: 6.79%)	–	–
	People's Republic of China: 4.86% (2021: 2.04%)		
10,000,000	Anllian Capital 0.000% 05/02/2025	12,513,508	1.67
5,000,000	Huazhu 3.000% 01/05/2026	6,127,500	0.82
40,000,000	Kingsoft 0.625% 29/04/2025	5,401,700	0.72
3,000,000	Lenovo 3.375% 24/01/2024	3,394,500	0.46
10,000,000	Pharmaron Beijing 0.000% 18/06/2026	8,890,000	1.19
	Total People's Republic of China	36,327,208	4.86
	Republic of South Korea: Nil (2021: 1.17%)	–	–
	Spain: 2.70% (2021: 2.32%)		
8,000,000	Amadeus IT 1.500% 09/04/2025	9,519,550	1.27
10,000,000	Iberdrola Finanzas 0.800% 07/12/2027	10,697,404	1.43
	Total Spain	20,216,954	2.70
	Switzerland: 8.10% (2021: Nil)		
31,000,000	Dufry One 0.750% 30/03/2026	28,815,391	3.85
22,000,000	ELM 3.250% 13/06/2024	22,913,000	3.06
6,500,000	Sika 0.150% 05/06/2025	8,887,970	1.19
	Total Switzerland	60,616,361	8.10
	Taiwan: 0.69% (2021: 3.43%)		
5,200,000	Sea 2.375% 01/12/2025	5,131,880	0.69
	Total Taiwan	5,131,880	0.69
	United Kingdom: 5.05% (2021: 2.75%)		
9,000,000	BP Capital Markets 1.000% 28/04/2023	11,677,791	1.56
25,000,000	JET2 1.625% 10/06/2026	26,091,791	3.49
	Total United Kingdom	37,769,582	5.05
	United States: 57.45% (2021: 46.45%)		
19,615,000	Air Transport Services 1.125% 15/10/2024	20,425,100	2.73
11,000,000	Akamai Technologies 0.125% 01/05/2025	11,605,000	1.55
6,800,000	Alnylam Pharmaceuticals 1.000% 15/09/2027	7,395,000	0.99
7,000,000	Array Technologies 1.000% 01/12/2028	7,150,500	0.96
7,500,000	Bentley Systems 0.375% 01/07/2027	6,142,500	0.82
7,560,000	BigBear.ai 6.000% 15/12/2026	5,103,000	0.68
17,200,000	BioMarin Pharmaceutical 0.599% 01/08/2024	18,297,360	2.45
32,000,000	Blackline 0.000% 15/03/2026	27,420,000	3.67
5,000,000	Booking 0.750% 01/05/2025	6,684,520	0.89

Portfolio Statements continued

As at 31 December 2022

Global Convertible Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Corporate Bonds: 99.61% (2021: 78.44%) continued		
	United States: 57.45% (2021: 46.45%) continued		
11,500,000	Ceridian HCM 0.250% 15/03/2026	10,137,250	1.36
20,000,000	Chegg 0.000% 01/09/2026	15,888,000	2.12
29,500,000	Cloudflare 0.000% 15/08/2026	24,190,000	3.23
24,000,000	Coupa Software 0.125% 15/06/2025	23,311,200	3.12
3,200,000	Cytokinetics 3.500% 01/07/2027	3,677,834	0.49
4,200,000	Datadog 0.125% 15/06/2025	4,604,250	0.62
10,000,000	Dropbox 0.000% 01/03/2028	8,960,000	1.20
3,700,000	Etsy 0.125% 01/10/2026	5,733,150	0.77
16,000,000	Guardant Health 0.000% 15/11/2027	10,030,400	1.34
2,500,000	Halozyme Therapeutics 0.250% 01/03/2027	2,432,812	0.32
6,000,000	indie Semiconductor 4.500% 15/11/2027	5,934,000	0.79
2,500,000	Lantheus 2.625% 15/12/2027	2,529,750	0.34
13,000,000	Lumentum 0.500% 15/06/2028	9,904,700	1.32
4,000,000	MACOM Technology Solutions 0.250% 15/03/2026	3,978,000	0.53
3,500,000	Marriot Vacation 0.000% 15/01/2026	3,430,000	0.46
30,700,000	MP Materials 0.250% 01/04/2026	26,977,625	3.61
5,700,000	NCL 5.375% 01/08/2025	5,776,950	0.77
9,500,000	NextEra Energy Partners 0.000% 15/06/2024	8,963,250	1.20
31,260,000	Nutanix 0.250% 01/10/2027	26,305,290	3.52
6,500,000	Royal Caribbean Cruises 6.000% 15/08/2025	8,196,500	1.10
7,000,000	Sarepta Therapeutics 1.250% 15/09/2027	8,102,500	1.08
12,000,000	Sasol Financing USA 4.500% 08/11/2027	12,745,200	1.70
8,250,000	Shift4 Payments 0.000% 15/12/2025	8,213,906	1.10
3,141,000	Silicon Laboratories 0.625% 15/06/2025	3,940,070	0.53
13,000,000	SolarEdge Technologies 0.000% 15/09/2025	16,204,500	2.17
7,000,000	Southwest Airlines 1.250% 01/05/2025	8,433,250	1.13
38,500,000	Vail Resorts 0.000% 01/01/2026	35,901,250	4.80
3,650,000	Vertex Energy 6.250% 01/10/2027	4,975,724	0.66
11,000,000	Wolfspeed 1.875% 01/12/2029	9,960,500	1.33
	Total United States	429,660,841	57.45
	Vietnam: 1.19% (2021: 0.86%)		
11,800,000	VinJSC 3.000% 20/04/2026	8,914,900	1.19
	Total Vietnam	8,914,900	1.19
	Total Corporate Bonds	745,002,996	99.61
	Equities: Nil (2021: 25.81%)		
	United States: Nil (2021: 25.81%)	–	–
	Total Transferable Securities	745,002,996	99.61

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain US$	% of Net Assets
	Contracts for Difference (on Equities) – Unrealised Gains: 0.05% (2021: 0.51%)		
	Germany: Nil (2021: 0.01%)	–	–
	Netherlands: Nil (2021: 0.06%)	–	–
	United Kingdom: Nil (2021: Nil)	–	–
	United States: 0.05% (2021: 0.44%)		
(60,000)	MP Materials	23,976	–
(21,000)	SolarEdge Technologies	206,056	0.03
(18,000)	Vail Resorts	147,128	0.02
	Total United States	377,160	0.05
	Total Contracts for Difference (on Equities) – Unrealised Gains	377,160	0.05

		Unrealised Gain US$	% of Net Assets
	Contracts for Difference (on Bonds) – Unrealised Gains: 1.40% (2021: Nil)		
	Cayman Islands: 0.04% (2021: Nil)		
(10,000,000)	Microport Scientific	296,000	0.04
	Total Cayman Islands	296,000	0.04
	Luxembourg: 0.07% (2021: Nil)		
(10,700,000)	Oliver Capital	536,142	0.07
	Total Luxembourg	536,142	0.07
	Netherlands: 1.00% (2021: Nil)		
(19,000,000)	Siemens Energy Finance	7,472,513	1.00
	Total Netherlands	7,472,513	1.00
	Switzerland: 0.08% (2021: Nil)		
(12,800,000)	STMicroelectronics	572,160	0.08
	Total Switzerland	572,160	0.08
	United Kingdom: 0.21% (2021: Nil)		
(21,000,000)	Capital & Counties Properties	37,358	0.01
(21,000,000)	International Consolidated Airlines	1,521,182	0.20
	Total United Kingdom	1,558,540	0.21
	Total Contracts for Difference (on Bonds) – Unrealised Gains	10,435,355	1.40

Portfolio Statements continued

As at 31 December 2022

Global Convertible Fund continued

Financial assets at fair value through profit or loss

Futures Contracts – Unrealised Gains: 0.34% (2021: 0.16%)

Description	Country	Currency	No. of Contracts	Unrealised Gain US$	% of Net Assets
United States: 0.34% (2021: 0.16%)					
Future British Pound Mar23*	US	USD	(398)	423,969	0.06
Future Euro CME Mar23*	US	USD	1574	610,319	0.08
Future Japan Yen CME Mar23*	US	USD	341	1,496,137	0.20
Total United States				2,530,425	0.34
Total Futures Contracts – Unrealised Gains				2,530,425	0.34

Open Forward Currency Contracts: 0.15% (2021: 0.60%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
GBP 30,268,056	USD 36,884,138	1.2186	06/01/2023	474,690	0.06
USD 24,562,474	EUR 23,224,225	1.0576	13/01/2023	234,078	0.03
GBP 2,958,944	JPY 495,876,110	0.0073	06/01/2023	198,889	0.03
GBP 8,720,324	EUR 9,999,867	1.0663	06/01/2023	182,680	0.03
GBP 943,142	USD 1,147,814	1.2170	18/01/2023	12,955	–
GBP 231,381	EUR 267,587	1.0571	13/01/2023	7,327	–
GBP 382,130	USD 465,821	1.2190	18/01/2023	6,013	–
GBP 379,128	USD 461,255	1.2166	06/01/2023	5,202	–
GBP 62,851	JPY 10,418,257	0.0073	06/01/2023	3,355	–
GBP 119,426	EUR 136,926	1.0638	18/01/2023	2,546	–
GBP 113,308	EUR 129,982	1.0627	06/01/2023	2,425	–
GBP 781,280	USD 942,599	1.2065	24/01/2023	2,345	–
GBP 787,640	USD 949,992	1.2061	18/01/2023	2,245	–
GBP 117,780	EUR 134,811	1.0592	06/01/2023	2,199	–
GBP 38,460	JPY 6,387,726	0.0073	06/01/2023	2,148	–
GBP 39,024	JPY 6,460,771	0.0073	18/01/2023	2,082	–
USD 865,630	EUR 810,986	1.0674	31/01/2023	1,361	–
GBP 320,327	USD 386,234	1.2057	06/01/2023	913	–
GBP 53,039	USD 64,476	1.2156	31/01/2023	632	–
GBP 33,700	JPY 5,408,545	0.0075	06/01/2023	453	–
GBP 11,141	EUR 12,967	1.0673	13/01/2023	441	–
GBP 22,545	EUR 25,736	1.0657	13/01/2023	355	–
GBP 13,186	USD 15,911	1.2067	31/01/2023	39	–
GBP 700	JPY 116,223	0.0074	06/01/2023	39	–
GBP 3,311	USD 4,009	1.2110	31/01/2023	24	–
GBP 516	EUR 601	1.0513	06/01/2023	21	–
GBP 1,629	USD 1,980	1.2156	31/01/2023	19	–

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.15% (2021: 0.60%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
GBP 5,389	USD 6,502	1.2066	31/01/2023	15	–
GBP 964	USD 1,172	1.2156	31/01/2023	11	–
GBP 180	JPY 29,790	0.0074	06/01/2023	9	–
USD 28,005	GBP 23,283	1.2028	03/01/2023	2	–
USD 26,053	GBP 21,644	1.2037	31/01/2023	1	–
USD 24,287	GBP 20,177	1.2037	31/01/2023	1	–
USD 2,481	GBP 2,063	1.2028	03/01/2023	–	–
GBP 53	USD 64	1.2089	31/01/2023	–	–
GBP 168	USD 203	1.2067	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				1,147,542	0.15
Total Financial Assets at fair value through profit or loss				759,493,478	101.55

Financial liabilities at fair value through profit or loss

Options Written: Nil (2021: (0.43%))

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US$	% of Net Assets
	Contracts for Difference (on Equities) – Unrealised Losses: (1.02%) (2021: (0.23%))		
	Denmark: (0.02%) (2021: Nil)		
(35,660)	Ascendis Pharma ADR	(147,817)	(0.02)
	Total Denmark	(147,817)	(0.02)
	France: Nil (2021: Nil)	–	–
	Germany: (0.86%) (2021: Nil)		
(1,163,971)	Siemens Energy	(6,441,342)	(0.86)
	Total Germany	(6,441,342)	(0.86)
	Luxembourg: Nil (2021: (0.04%))	–	–
	Switzerland: (0.12%) (2021: Nil)		
(49,000)	Swiss Re	(891,025)	(0.12)
	Total Switzerland	(891,025)	(0.12)
	United States: (0.02%) (2021: (0.19%))		
(169,000)	ZTO Express Cayman ADR	(189,716)	(0.02)
	Total United States	(189,716)	(0.02)
	Total Contracts for Difference (on Equities) – Unrealised Losses	(7,669,900)	(1.02)

Portfolio Statements continued

As at 31 December 2022

Global Convertible Fund continued

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US$	% of Net Assets
	Contracts for Difference (on Bonds) – Unrealised Losses: (0.69%) (2021: Nil)		
	France: (0.29%) (2021: Nil)		
(66,000)	S.O.I.T.E.C.	(2,129,034)	(0.29)
	Total France	(2,129,034)	(0.29)
	Netherlands: (0.02%) (2021: Nil)		
(16,200,000)	Basic-Fit	(176,996)	(0.02)
	Total Netherlands	(176,996)	(0.02)
	Spain: (0.38%) (2021: Nil)		
(13,800,000)	Cellnex Telecom	(2,822,000)	(0.38)
	Total Spain	(2,822,000)	(0.38)
	Total Contracts for Difference (on Bonds) – Unrealised Losses	(5,128,030)	(0.69)

Holdings	Financial liabilities at fair value through profit or loss	Fair Value US$	% of Net Assets
	Credit Default Swaps: (0.05%) (2021: Nil)		
70,000,000	CDS CCP 5% 20-Dec-2027*	(407,680)	(0.05)
	Total Credit Default Swaps	(407,680)	(0.05)
	Total Credit Default Swaps	(407,680)	(0.05)
	Futures Contracts – Unrealised Losses: Nil (2021: (0.09%))		
	United Kingdom: Nil (2021: (0.01%))	–	–
	United States: Nil (2021: (0.08%))	–	–

Open Forward Currency Contracts: (0.51%) (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 37,123,902	GBP 30,239,809	1.2277	06/01/2023	(748,431)	(0.10)
USD 36,898,818	GBP 30,268,056	1.2191	18/01/2023	(478,018)	(0.06)
USD 33,396,235	GBP 27,390,465	1.2193	24/01/2023	(432,365)	(0.06)
USD 43,700,209	GBP 35,957,247	1.2153	31/01/2023	(417,808)	(0.06)
EUR 10,245,170	GBP 8,792,405	1.0539	06/01/2023	(357,774)	(0.05)
USD 26,216,010	GBP 21,570,962	1.2153	31/01/2023	(250,646)	(0.03)
JPY 495,353,560	GBP 2,958,944	0.0073	18/01/2023	(199,410)	(0.03)
EUR 9,995,660	GBP 8,720,324	1.0669	18/01/2023	(183,202)	(0.03)
EUR 9,831,683	GBP 8,577,259	1.0612	24/01/2023	(182,897)	(0.03)
JPY 511,766,678	GBP 3,093,629	0.0074	06/01/2023	(157,309)	(0.02)
JPY 465,999,608	GBP 2,816,152	0.0074	24/01/2023	(150,719)	(0.02)
USD 2,092,259	GBP 1,685,547	1.2413	18/01/2023	(64,082)	(0.01)

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.51%) (2021: Nil) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 2,896,121	GBP 2,382,975	1.2153	31/01/2023	(27,689)	–
EUR 570,136	GBP 490,079	1.0669	18/01/2023	(19,251)	–
EUR 641,783	GBP 559,758	1.0607	18/01/2023	(11,932)	–
JPY 28,446,184	GBP 170,343	0.0074	18/01/2023	(10,943)	–
USD 1,057,357	GBP 869,796	1.2156	31/01/2023	(10,368)	–
USD 465,691	GBP 382,131	1.2187	06/01/2023	(6,025)	–
USD 501,920	GBP 412,988	1.2153	31/01/2023	(4,799)	–
EUR 861,642	USD 916,158	1.0633	13/01/2023	(3,819)	–
EUR 137,002	GBP 119,427	1.0597	06/01/2023	(2,556)	–
JPY 6,468,807	GBP 39,025	0.0073	06/01/2023	(2,083)	–
USD 152,912	GBP 125,475	1.2187	06/01/2023	(1,978)	–
USD 845,342	CHF 779,041	1.0851	31/01/2023	(1,017)	–
USD 376,368	GBP 311,847	1.2069	08/02/2023	(909)	–
USD 705,912	EUR 660,603	1.0686	13/01/2023	(585)	–
JPY 5,357,559	GBP 33,496	0.0075	08/02/2023	(451)	–
USD 97,000	GBP 80,437	1.2059	04/01/2023	(243)	–
EUR 112,556	GBP 99,820	1.0699	08/02/2023	(214)	–
EUR 28,764	GBP 25,354	1.0632	04/01/2023	(200)	–
USD 35,716	GBP 29,598	1.2067	31/01/2023	(88)	–
JPY 1,363,665	GBP 8,524	0.0075	04/01/2023	(82)	–
EUR 8,220	GBP 7,240	1.0596	03/01/2023	(64)	–
EUR 17,497	GBP 15,499	1.0679	13/01/2023	(35)	–
USD 10,077	GBP 8,356	1.2059	04/01/2023	(25)	–
EUR 2,988	GBP 2,634	1.0632	04/01/2023	(21)	–
USD 6,682	GBP 5,541	1.2059	04/01/2023	(17)	–
EUR 1,982	GBP 1,747	1.0632	04/01/2023	(14)	–
USD 4,100	GBP 3,398	1.2066	31/01/2023	(10)	–
JPY 141,742	GBP 886	0.0075	04/01/2023	(8)	–
EUR 729	GBP 642	1.0596	03/01/2023	(6)	–
JPY 94,068	GBP 588	0.0075	04/01/2023	(6)	–
JPY 388,605	GBP 2,444	0.0076	04/01/2023	(5)	–
USD 757	GBP 628	1.2059	04/01/2023	(2)	–
USD 250	GBP 206	1.2156	31/01/2023	(2)	–
EUR 225	GBP 198	1.0632	04/01/2023	(2)	–
USD 535	CHF 493	1.0851	31/01/2023	(1)	–
USD 133	GBP 110	1.2110	31/01/2023	(1)	–
EUR 21	GBP 18	1.0531	06/01/2023	(1)	–
JPY 10,719	GBP 67	0.0075	04/01/2023	(1)	–

Portfolio Statements continued

As at 31 December 2022

Global Convertible Fund continued

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.51%) (2021: Nil) continued

	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
	USD 105	GBP 86	1.2156	31/01/2023	(1)	–
	USD 76	GBP 62	1.2221	06/01/2023	(1)	–
	JPY 1,280	GBP 8	0.0075	04/01/2023	–	–
	USD 34	GBP 28	1.2111	31/01/2023	–	–
	JPY 1,920	GBP 12	0.0075	04/01/2023	–	–
	EUR 41	GBP 36	1.0632	03/01/2023	–	–
	GBP 2,950	USD 3,551	1.2037	31/01/2023	–	–
	USD 90	GBP 75	1.2057	03/01/2023	–	–
	EUR 26	GBP 23	1.0632	03/01/2023	–	–
	USD 141	GBP 117	1.2058	03/01/2023	–	–
	JPY 34,504	GBP 217	0.0076	04/01/2023	–	–
	JPY 1,164	GBP 7	0.0074	06/01/2023	–	–
	GBP 123	USD 148	1.2037	31/01/2023	–	–
	USD 16	GBP 13	1.2108	31/01/2023	–	–
	Total unrealised loss on forward foreign currency contracts				(3,783,186)	(0.51)

	Contracts for Difference – Bonds: (0.69%) (2021: Nil)		
	France: (0.29%) (2021: Nil)		
(66,000)	S.O.I.T.E.C.	(2,129,034)	(0.29)
	Total France	(2,129,034)	(0.29)
	Netherlands: (0.02%) (2021: Nil)		
(16,200,000)	Basic-Fit	(176,996)	(0.02)
	Total Netherlands	(176,996)	(0.02)
	Spain: (0.38%) (2021: Nil)		
(13,800,000)	Cellnex Telecom	(2,822,000)	(0.38)
	Total Spain	(2,822,000)	(0.38)
	Total Contracts for Difference – Bonds	(5,128,030)	(0.69)
	Total Financial Liabilities at fair value through profit or loss	(16,988,796)	(2.27)

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 934,367,804)	742,504,682	99.28
Bank Overdraft	(24,027,850)	(3.21)
Margin Cash	27,208,750	3.64
Other Net Assets	2,230,765	0.29
Net Assets Attributable to Holders of Redeemable Participating Shares	747,916,347	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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	88.49	95.11
Exchange traded financial derivative instruments	0.35	0.62
OTC Financial derivative instruments	0.14	0.54
Other assets	11.02	3.73
	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 2022

Global Insurance Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Investment Funds: 0.59% (2021: 1.82%)		
	Bermuda: 0.01% (2021: 0.36%)		
492	Lodgepine 2021	395,476	0.01
	Total Bermuda	395,476	0.01
	United States: 0.58% (2021: 1.46%)		
17,431	AlphaCat Opportunities	10,606,619	0.42
1,589,093	Kinesis	3,918,178	0.16
	Total United States	14,524,797	0.58
	Total Investment Funds	14,920,273	0.59
	Equities: 98.14% (2021: 98.16%)		
	Insurance Brokers: 12.35% (2021: 13.15%)		
360,000	Aon	89,824,912	3.57
1,261,500	Marsh & McLennan Cos	173,541,438	6.90
1,375,000	Ryan Specialty Group	47,448,868	1.88
	Total Insurance Brokers	310,815,218	12.35
	Life/Health Insurance: 6.62% (2021: 4.09%)		
575,000	Aflac	34,388,141	1.37
6,680,000	AIA	61,758,464	2.45
2,650,000	Prudential	29,878,750	1.19
1,025,000	Trupanion	40,500,660	1.61
	Total Life/Health Insurance	166,526,015	6.62
	Multi-line Insurance: 10.60% (2021: 12.31%)		
966,500	Chubb	177,246,549	7.04
26,650,000	Direct Line Insurance	58,976,450	2.35
704,000	Sampo Plc	30,493,485	1.21
	Total Multi-line Insurance	266,716,484	10.60

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Property/Casualty Insurance: 46.05% (2021: 47.59%)		
4,477,500	Arch Capital	233,683,113	9.29
10,900,000	Beazley	74,065,500	2.94
240,000	Berkshire Hathaway	61,631,051	2.45
1,050,000	First American Financial	45,687,084	1.82
4,526,377	Hagerty	31,645,877	1.26
4,490,000	Hiscox	48,918,550	1.94
775,000	Intact Financial	92,679,350	3.68
1,175,000	James River	20,425,012	0.81
11,000,000	Lancashire	71,500,000	2.84
127,500	Markel	139,645,818	5.55
2,250,000	ProAssurance	32,677,276	1.30
675,000	Progressive Corp	72,785,967	2.89
280,000	RLI	30,555,820	1.21
572,500	Travelers Companies	89,232,698	3.55
1,887,500	WR Berkley	113,871,359	4.52
	Total Property/Casualty Insurance	1,159,004,475	46.05
	Reinsurance: 22.52% (2021: 21.02%)		
3,237,500	Essent	104,642,102	4.16
290,000	Everest Re	79,863,903	3.17
248,750	Fairfax Financial	122,411,584	4.87
10,525,000	Helios Underwriting	17,208,375	0.68
737,500	Reinsurance of America	87,115,606	3.46
1,015,000	RenaissanceRe	155,452,180	6.18
	Total Reinsurance	566,693,750	22.52
	Total Equities	2,469,755,942	98.14
	Total Transferable Securities	2,484,676,215	98.73

Portfolio Statements continued

As at 31 December 2022

Global Insurance Fund continued

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.01% (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
GBP 15,051,648	EUR 17,143,888	0.8780	31/01/2023	174,345	0.01
USD 10,425,582	CHF 9,696,521	0.8234	20/01/2023	58,493	–
GBP 1,328,781	CHF 1,500,515	0.8855	20/01/2023	20,982	–
USD 3,370,535	EUR 3,177,784	0.8234	20/01/2023	19,999	–
USD 5,470,441	EUR 5,139,909	0.8219	20/01/2023	16,753	–
USD 3,466,058	EUR 3,257,929	0.8250	20/01/2023	11,764	–
GBP 673,431	EUR 769,641	0.8750	20/01/2023	9,793	–
GBP 930,849	USD 1,131,115	0.8229	31/01/2023	8,836	–
GBP 429,532	EUR 491,755	0.8735	20/01/2023	7,008	–
GBP 444,318	EUR 506,150	0.8778	20/01/2023	5,001	–
HKD 2,650,106	CHF 317,982	0.1062	20/01/2023	3,792	–
GBP 378,198	CHF 423,953	0.8921	20/01/2023	3,162	–
USD 745,357	CHF 691,607	0.8305	20/01/2023	2,718	–
GBP 151,798	CHF 169,874	0.8936	20/01/2023	1,010	–
HKD 859,725	EUR 104,210	0.1059	20/01/2023	946	–
HKD 1,231,633	EUR 148,681	0.1056	20/01/2023	815	–
HKD 875,880	EUR 105,723	0.1059	20/01/2023	569	–
GBP 94,539	CHF 105,618	0.8951	20/01/2023	468	–
GBP 58,343	EUR 66,183	0.8815	03/01/2023	376	–
USD 47,765	CHF 44,428	0.8295	20/01/2023	272	–
USD 75,172	EUR 70,658	0.8292	20/01/2023	255	–
GBP 22,226	EUR 25,319	0.8778	20/01/2023	250	–
USD 177,225	EUR 166,170	0.8230	20/01/2023	235	–
GBP 97,462	EUR 110,000	0.8860	31/01/2023	232	–
GBP 29,516	EUR 33,481	0.8816	03/01/2023	190	–
GBP 42,802	USD 51,668	0.8284	31/01/2023	121	–
GBP 7,428	EUR 8,489	0.8750	20/01/2023	108	–
HKD 183,876	CHF 21,884	0.1065	20/01/2023	102	–
USD 25,651	EUR 24,119	0.8284	20/01/2023	94	–
HKD 134,325	EUR 16,217	0.1054	20/01/2023	90	–
USD 13,982	EUR 13,184	0.8276	20/01/2023	84	–
GBP 9,539	CHF 10,694	0.8920	20/01/2023	81	–
HKD 763,027	CHF 90,429	0.1057	20/01/2023	80	–
EUR 28,605	CHF 28,305	0.8809	20/01/2023	68	–
GBP 9,955	EUR 11,293	0.8816	03/01/2023	64	–
EUR 10,639	CAD 15,499	0.6018	20/01/2023	62	–
GBP 3,045,591	USD 3,663,606	0.8313	03/01/2023	53	–

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.01% (2021: Nil) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
HKD 299,235	CHF 35,483	0.1059	20/01/2023	49	–
GBP 5,462	USD 6,622	0.8249	31/01/2023	39	–
CHF 36,831	EUR 37,357	0.8822	20/01/2023	32	–
GBP 3,299	EUR 3,744	0.8812	20/01/2023	24	–
EUR 20,597	CAD 29,848	0.6113	20/01/2023	23	–
USD 790	EUR 764	0.8384	20/01/2023	22	–
GBP 1,905	EUR 2,170	0.8778	20/01/2023	21	–
CHF 23,603	EUR 23,940	0.8822	20/01/2023	20	–
HKD 44,843	EUR 5,401	0.1057	20/01/2023	18	–
GBP 988	EUR 1,131	0.8730	20/01/2023	17	–
USD 807	CHF 764	0.8385	20/01/2023	17	–
GBP 62,093	USD 74,762	0.8305	31/01/2023	16	–
CHF 2,887	EUR 2,939	0.8822	20/01/2023	12	–
USD 2,471	EUR 2,326	0.8304	20/01/2023	11	–
CHF 2,099	EUR 2,137	0.8822	20/01/2023	9	–
CHF 1,728	CAD 2,548	0.6062	20/01/2023	8	–
USD 911	GBP 764	0.8383	20/01/2023	7	–
CHF 7,492	EUR 7,599	0.8822	20/01/2023	6	–
CHF 4,969	EUR 5,042	0.8855	20/01/2023	6	–
GBP 1,562	CAD 2,557	0.6110	20/01/2023	6	–
GBP 565	EUR 644	0.8778	20/01/2023	6	–
GBP 312,748	USD 376,211	0.8313	03/01/2023	5	–
USD 12,979	EUR 12,156	0.8293	20/01/2023	5	–
GBP 1,658	EUR 1,871	0.8858	20/01/2023	4	–
CAD 3,997	EUR 2,767	0.6098	20/01/2023	4	–
GBP 634	CHF 709	0.8936	20/01/2023	4	–
HKD 6,354	EUR 766	0.1062	20/01/2023	3	–
USD 8,067	EUR 7,555	0.8174	20/01/2023	3	–
GBP 506	CHF 565	0.8951	20/01/2023	3	–
CAD 124	EUR 89	0.6203	20/01/2023	3	–
GBP 99	EUR 114	0.8664	20/01/2023	2	–
CHF 737	EUR 748	0.8777	20/01/2023	2	–
GBP 314	EUR 355	0.8827	20/01/2023	2	–
GBP 101	CHF 114	0.8853	20/01/2023	2	–
GBP 6,432	CHF 7,152	0.8993	20/01/2023	2	–
CAD 126	CHF 89	0.6214	20/01/2023	2	–
GBP 1,140	HKD 10,715	0.1064	20/01/2023	1	–

Portfolio Statements continued

As at 31 December 2022

Global Insurance Fund continued

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.01% (2021: Nil) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
HKD 3,295	EUR 396	0.1065	20/01/2023	1	–
EUR 345	CHF 341	0.8897	20/01/2023	1	–
CAD 143	GBP 89	0.6188	20/01/2023	1	–
GBP 43	EUR 50	0.8740	31/01/2023	1	–
HKD 178	EUR 22	0.1074	20/01/2023	1	–
HKD 181	CHF 22	0.1079	20/01/2023	1	–
USD 1,006	EUR 944	0.8231	20/01/2023	1	–
HKD 1,815	EUR 219	0.1051	20/01/2023	1	–
CHF 355	CAD 522	0.6100	20/01/2023	1	–
HKD 198	EUR 24	0.1067	20/01/2023	–	–
EUR –	GBP –	0.8837	20/01/2023	–	–
GBP 6	EUR 6	0.8851	20/01/2023	–	–
GBP –	USD –	1.0000	31/01/2023	–	–
USD 47	EUR 44	0.8315	20/01/2023	–	–
GBP 5	CHF 5	0.8878	20/01/2023	–	–
GBP 63	CHF 70	0.8992	20/01/2023	–	–
CHF 4	GBP 3	0.8995	20/01/2023	–	–
EUR 7	CAD 11	0.6008	20/01/2023	–	–
GBP 2	EUR 2	0.8731	20/01/2023	–	–
GBP 87	CHF 97	0.8993	20/01/2023	–	–
EUR –	CHF –	0.8776	20/01/2023	–	–
CHF 5	EUR 5	0.8883	20/01/2023	–	–
CHF 7	EUR 7	0.8858	20/01/2023	–	–
CHF –	JPY 1	0.0100	20/01/2023	–	–
CHF –	GBP –	0.8889	20/01/2023	–	–
HKD 206	GBP 22	0.1074	20/01/2023	–	–
CAD 39	EUR 27	0.6129	20/01/2023	–	–
USD 116	EUR 109	0.8326	20/01/2023	–	–
HKD 821	EUR 99	0.1067	20/01/2023	–	–
CHF 26	HKD 221	0.1065	20/01/2023	–	–
CHF 39	CAD 57	0.6134	20/01/2023	–	–
JPY 54	CHF –	0.0063	20/01/2023	–	–
CHF –	JPY 54	0.0063	20/01/2023	–	–
CHF –	GBP –	0.9000	20/01/2023	–	–
HKD 609	EUR 74	0.1065	20/01/2023	–	–
JPY 13	EUR –	0.0062	20/01/2023	–	–
JPY 662	EUR 5	0.0063	20/01/2023	–	–

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.01% (2021: Nil) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
HKD 186	EUR 22	0.1058	20/01/2023	–	–
JPY 260	EUR 2	0.0063	20/01/2023	–	–
HKD 3,022	CHF 358	0.1059	20/01/2023	–	–
JPY 227	CHF 2	0.0063	20/01/2023	–	–
GBP 139	USD 168	0.8284	31/01/2023	–	–
EUR 1	CAD 2	0.6121	20/01/2023	–	–
EUR 11	CHF 11	0.8808	20/01/2023	–	–
JPY 88	CHF 1	0.0063	20/01/2023	–	–
EUR 100	CAD 144	0.6062	20/01/2023	–	–
GBP 1	EUR 2	0.8854	20/01/2023	–	–
CHF 1	GBP 1	0.8933	20/01/2023	–	–
CHF 1	EUR 1	0.8772	20/01/2023	–	–
GBP 2	EUR 2	0.8827	20/01/2023	–	–
EUR 1	HKD 4	0.1071	20/01/2023	–	–
EUR 7	JPY 931	0.0063	20/01/2023	–	–
EUR 10	CAD 14	0.6137	20/01/2023	–	–
EUR –	CHF –	0.8857	20/01/2023	–	–
JPY 789	CHF 6	0.0063	20/01/2023	–	–
EUR 2	CHF 2	0.8848	20/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				349,696	0.01
Total Financial Assets at fair value through profit or loss				2,485,025,911	98.74

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: (0.01%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
EUR 885,006	GBP 777,218	0.8782	31/01/2023	(8,781)	–
USD 2,573,815	GBP 2,133,869	0.8291	20/01/2023	(5,018)	–
CAD 867,399	EUR 595,395	0.6005	20/01/2023	(3,484)	–
CAD 1,659,265	CHF 1,127,621	0.6017	20/01/2023	(3,391)	–
USD 3,015,638	CHF 2,782,418	0.8229	20/01/2023	(3,173)	–
CAD 475,908	CHF 322,669	0.6047	20/01/2023	(1,651)	–
CAD 536,400	EUR 369,549	0.6017	20/01/2023	(951)	–
CAD 402,674	GBP 246,032	0.6110	20/01/2023	(951)	–
CAD 184,904	CHF 125,434	0.6060	20/01/2023	(580)	–
USD 1,184,166	CHF 1,093,428	0.8249	20/01/2023	(489)	–

Portfolio Statements continued

As at 31 December 2022

Global Insurance Fund continued

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: (0.01%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
EUR 111,535	USD 118,695	0.8236	20/01/2023	(375)	–
CAD 115,996	CHF 78,829	0.6083	20/01/2023	(237)	–
CHF 16,301	GBP 14,433	0.8854	20/01/2023	(230)	–
CAD 541,221	EUR 373,738	0.6061	20/01/2023	(189)	–
EUR 16,936	GBP 14,873	0.8782	31/01/2023	(168)	–
EUR 31,338	CHF 30,776	0.8758	20/01/2023	(135)	–
EUR 24,119	USD 25,617	0.8290	03/01/2023	(103)	–
EUR 40,871	CHF 40,219	0.8778	20/01/2023	(103)	–
USD 50,386	CHF 46,455	0.8292	20/01/2023	(84)	–
EUR 5,552	GBP 4,849	0.8734	20/01/2023	(80)	–
EUR 39,303	GBP 34,815	0.8858	20/01/2023	(75)	–
EUR 18,118	CHF 17,798	0.8776	20/01/2023	(74)	–
EUR 178,644	USD 190,747	0.8293	20/01/2023	(72)	–
EUR 128,184	CHF 126,426	0.8732	20/01/2023	(66)	–
USD 25,750	GBP 21,341	0.8288	03/01/2023	(66)	–
HKD 653,596	GBP 69,548	0.1064	20/01/2023	(61)	–
EUR 27,504	GBP 24,363	0.8858	20/01/2023	(52)	–
CAD 27,969	EUR 19,270	0.6047	20/01/2023	(49)	–
CHF 7,507	USD 8,090	0.8286	20/01/2023	(30)	–
EUR 3,744	GBP 3,296	0.8804	03/01/2023	(26)	–
EUR 5,303	CHF 5,210	0.8776	20/01/2023	(22)	–
USD 10,730	GBP 8,896	0.8291	20/01/2023	(21)	–
CAD 7,881	CHF 5,356	0.6112	20/01/2023	(16)	–
USD 16,547	CHF 15,270	0.8244	20/01/2023	(15)	–
EUR 9,867	CHF 9,720	0.8818	20/01/2023	(15)	–
EUR 17,736	CHF 17,486	0.8825	20/01/2023	(15)	–
EUR 5,407	CHF 5,320	0.8791	20/01/2023	(14)	–
CHF 1,399	HKD 11,689	0.1057	20/01/2023	(13)	–
EUR 5,822	HKD 48,429	0.1064	20/01/2023	(11)	–
USD 25,546	CHF 23,589	0.8265	20/01/2023	(11)	–
EUR 19,596	CHF 19,329	0.8796	20/01/2023	(9)	–
CAD 2,776	CHF 1,883	0.6072	20/01/2023	(9)	–
USD 5,054	GBP 4,190	0.8290	31/01/2023	(9)	–
CHF 2,924	EUR 2,955	0.8810	20/01/2023	(7)	–
USD 2,651	GBP 2,197	0.8288	03/01/2023	(7)	–
EUR 14,574	CHF 14,375	0.8796	20/01/2023	(7)	–
CAD 2,955	CHF 2,008	0.6061	20/01/2023	(6)	–

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: (0.01%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
EUR 503	HKD 4,148	0.1057	20/01/2023	(5)	–
EUR 2,767	CAD 3,992	0.6102	03/01/2023	(5)	–
EUR 766	HKD 6,345	0.1062	03/01/2023	(4)	–
CAD 8,187	EUR 5,653	0.6092	20/01/2023	(3)	–
CAD 1,272	EUR 875	0.6005	20/01/2023	(3)	–
EUR 1,020	CHF 1,004	0.8776	20/01/2023	(3)	–
EUR 398	HKD 3,298	0.1066	20/01/2023	(2)	–
EUR 1,410	CHF 1,389	0.8770	20/01/2023	(2)	–
CAD 2,031	EUR 1,402	0.6111	20/01/2023	(2)	–
EUR 86	GBP 75	0.8806	03/01/2023	(1)	–
CHF 163	HKD 1,372	0.1062	20/01/2023	(1)	–
CAD 385	EUR 265	0.6080	20/01/2023	(1)	–
EUR 192	GBP 169	0.8807	03/01/2023	(1)	–
EUR 770	CHF 758	0.8856	20/01/2023	(1)	–
HKD 12,800	CHF 1,514	0.1064	20/01/2023	(1)	–
CAD 724	EUR 499	0.6047	20/01/2023	(1)	–
EUR 14	GBP 12	0.8810	20/01/2023	–	–
CHF 10	EUR 10	0.8859	20/01/2023	–	–
USD 166	CHF 153	0.8297	20/01/2023	–	–
EUR 643	USD 687	0.8309	20/01/2023	–	–
EUR 11	CHF 11	0.8668	20/01/2023	–	–
EUR 225	GBP 199	0.8858	20/01/2023	–	–
EUR 13	GBP 11	0.8665	20/01/2023	–	–
HKD 19	GBP 2	0.1055	20/01/2023	–	–
EUR 9	GBP 8	0.8747	20/01/2023	–	–
EUR 2	HKD 15	0.1055	20/01/2023	–	–
EUR 63	USD 67	0.8222	20/01/2023	–	–
USD 11	GBP 9	0.8232	31/01/2023	–	–
EUR 1	GBP 1	0.8730	20/01/2023	–	–
CHF 4	GBP 3	0.8928	20/01/2023	–	–
EUR 2	GBP 1	0.8766	20/01/2023	–	–
CHF 8	JPY 1,098	0.0063	20/01/2023	–	–
EUR 2	GBP 2	0.8786	20/01/2023	–	–
CHF 11	EUR 11	0.8808	03/01/2023	–	–
EUR 65	GBP 57	0.8806	03/01/2023	–	–
USD 34	GBP 28	0.8306	31/01/2023	–	–
CHF 138	HKD 1,160	0.1066	20/01/2023	–	–

Portfolio Statements continued

As at 31 December 2022

Global Insurance Fund continued

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: (0.01%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
EUR 25	USD 26	0.8285	20/01/2023	–	–
USD 18	GBP 15	0.8289	31/01/2023	–	–
CAD 206	EUR 142	0.6127	20/01/2023	–	–
EUR 4	CHF 4	0.8847	20/01/2023	–	–
EUR 7	HKD 56	0.1064	20/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(30,987)	–
Total Financial Liabilities at fair value through profit or loss				(30,987)	–

	Fair Value GBP£	% of Net Assets
Total Value of Investments (Cost: GBP£ 1,731,257,783)	2,484,994,924	98.74
Cash at Bank	36,552,806	1.45
Other Net Liabilities	(4,864,315)	(0.19)
Net Assets Attributable to Holders of Redeemable Participating Shares	2,516,683,415	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 foreign currency contracts is The Northern Trust Company.

	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Analysis of total assets		
Transferable securities admitted to official stock exchange listing	98.19	98.90
OTC Financial derivative instruments	0.01	–
Other assets	1.80	1.10
	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
	Equities: 95.87% (2021: 95.60%)		
	Communications: 14.16% (2021: 16.67%)		
535,051	Alibaba ADR	47,132,643	1.15
978,105	Alphabet Class A	86,298,204	2.11
973,755	Alphabet Class C	86,401,281	2.12
565,753	Amazon.com	47,523,252	1.16
2,112,100	Meituan Dianping	47,275,623	1.16
45,575	MercadoLibre	38,567,388	0.95
296,061	Meta Platforms	35,627,981	0.87
173,481	Monolithic Power Systems	61,344,616	1.50
1,509,744	Pinterest	36,656,584	0.90
966,650	Tencent	41,366,197	1.01
1,457,850	Trip.com ADR	50,150,040	1.23
	Total Communications	578,343,809	14.16
	Consumer, Cyclical: 2.14% (2021: 3.89%)		
1,345,377	Lattice Semiconductor	87,288,060	2.14
	Total Consumer, Cyclical	87,288,060	2.14
	Consumer, Non-cyclical: 1.92% (2021: 4.50%)		
25,058	Adyen	34,455,878	0.84
461,400	Block Inc	28,994,376	0.71
121,679	Tesla Inc.	14,988,419	0.37
	Total Consumer, Non-cyclical	78,438,673	1.92
	Energy: 2.70% (2021: Nil)		
176,797	Enphase Energy	46,844,133	1.15
150,000	First Solar	22,468,500	0.55
145,109	SolarEdge Technologies	41,105,027	1.00
	Total Energy	110,417,660	2.70
	Financial: 9.26% (2021: 6.91%)		
462,736	Airbnb Inc.	39,563,928	0.97
1,542,000	BYD Company	38,051,391	0.93
532,708	Crowdstrike	56,088,825	1.37
505,651	CyberArk Software	65,557,652	1.60
1,585,894	Infineon Technologies	48,119,069	1.18
144,255	Mastercard	50,161,791	1.23
389,563	Visa	80,935,609	1.98
	Total Financial	378,478,265	9.26

Portfolio Statements continued

As at 31 December 2022

Global Technology Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 95.87% (2021: 95.60%) continued		
	Industrial: 4.36% (2021: 3.10%)		
141,500	DISCO	40,483,724	0.99
457,950	Hoya	44,096,061	1.08
111,150	Keyence	43,316,026	1.06
809,826	Kornit Digital	18,601,703	0.46
1,757,683	TripAdvisor	31,603,140	0.77
	Total Industrial	178,100,654	4.36
	Technology: 61.33% (2021: 60.53%)		
273,913	Activision Blizzard	20,968,040	0.51
2,379,139	Advanced Micro Devices	154,096,833	3.77
2,102,840	Apple	273,222,001	6.69
673,583	Arista Networks	81,739,297	2.00
166,012	ASML	89,261,432	2.18
177,121	Atlassian Corp	22,791,930	0.56
345,200	Bill.com	37,612,992	0.92
687,159	Cloudflare	31,066,458	0.76
12,605,024	E Ink	66,028,171	1.62
691,978	Elastic	35,636,867	0.87
1,054,000	eMemory Technology	45,780,612	1.12
2,101,620	Freshworks	30,914,830	0.76
1,150,520	Gitlab Inc	52,279,629	1.28
129,330	GLOBANT SA USD1.20	21,748,133	0.53
283,602	HubSpot	81,997,846	2.01
270,518	KLA Corp	101,993,402	2.50
1,399,167	Marvell Technology	51,825,146	1.27
1,465,119	Microsoft	351,364,839	8.60
131,206	MongoDB	25,826,589	0.63
1,621,450	Nintendo	67,981,821	1.66
642,770	NVIDIA	93,934,408	2.30
376,435	ON Semiconductor	23,478,251	0.57
316,763	Palo Alto Networks	44,201,109	1.08
333,755	Power Integrations	23,936,909	0.58
2,238,387	Pure Storage	59,899,236	1.47
427,501	Qualcomm	46,999,460	1.15
655,876	Roblox	18,666,231	0.46
285,498	salesforce.com	37,854,180	0.93
1,444,883	Samsung Electronics	63,188,636	1.55
302,798	ServiceNow	117,567,379	2.88
1,503,478	Shopify	52,185,721	1.28

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 95.87% (2021: 95.60%) continued		
	Technology: 61.33% (2021: 60.53%) continued		
347,069	SiTime	35,269,152	0.86
1,326,474	Smartsheet Inc.	52,210,017	1.28
242,897	Snowflake Inc.	34,865,435	0.85
5,086,000	Taiwan Semiconductor Manufacturing	74,216,167	1.82
389,469	Teradyne	34,020,117	0.83
294,122	Workday	49,215,434	1.20
	Total Technology	2,505,844,710	61.33
	Total Equities	3,916,911,831	95.87
	Total Transferable Securities	3,916,911,831	95.87

Options Purchased: 0.01% (2021: 0.28%)

Description	Base Currency	Strike Price	No. of Contracts	Maturity Date	Fair Value US$	% of Net Assets
Option Nasdaq 100 Put 9000	USD	9,000.00	955	20/01/2023	429,750	0.01
Total Options Purchased					429,750	0.01

Open Forward Currency Contracts: 0.01% (2021: 0.13%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
USD 84,758,380	EUR 79,450,528	1.0668	31/01/2023	178,828	0.01
USD 72,097,846	EUR 67,582,839	1.0668	31/01/2023	152,116	–
USD 36,972,926	EUR 34,657,558	1.0668	31/01/2023	78,008	–
USD 728,815	EUR 686,829	1.0611	03/01/2023	4,204	–
USD 494,291	EUR 465,882	1.0610	03/01/2023	2,922	–
USD 249,707	EUR 234,899	1.0630	31/01/2023	1,413	–
USD 213,882	EUR 201,198	1.0630	31/01/2023	1,210	–
USD 260,673	EUR 244,837	1.0647	31/01/2023	1,072	–
GBP 100,458	USD 121,783	1.2123	31/01/2023	860	–
USD 102,398	EUR 96,512	1.0610	03/01/2023	605	–
USD 92,770	EUR 87,426	1.0611	03/01/2023	535	–
GBP 185,460	USD 223,706	1.2062	31/01/2023	464	–
USD 200,053	EUR 187,525	1.0668	31/01/2023	422	–
USD 71,389	EUR 67,079	1.0643	31/01/2023	323	–
GBP 79,927	USD 96,482	1.2071	31/01/2023	273	–
USD 39,047	EUR 36,803	1.0610	03/01/2023	231	–
GBP 17,298	USD 21,020	1.2151	31/01/2023	198	–
USD 25,872	EUR 24,300	1.0647	31/01/2023	106	–
USD 18,227	CHF 16,890	1.0791	31/01/2023	79	–

Portfolio Statements continued

As at 31 December 2022

Global Technology Fund continued

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.01% (2021: 0.13%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
CHF 33,480	USD 36,358	1.0860	31/01/2023	73	–
USD 12,397	EUR 11,662	1.0630	31/01/2023	70	–
USD 32,434	EUR 30,403	1.0668	31/01/2023	68	–
GBP 16,490	USD 19,897	1.2066	03/01/2023	61	–
GBP 111,598	USD 134,368	1.2040	31/01/2023	35	–
CHF 15,545	USD 16,881	1.0860	31/01/2023	34	–
USD 3,611	EUR 3,402	1.0614	31/01/2023	26	–
USD 81,382	EUR 76,148	1.0687	31/01/2023	25	–
USD 65,395	EUR 61,190	1.0687	31/01/2023	20	–
CHF 46,416	USD 50,321	1.0841	31/01/2023	16	–
USD 1,908	EUR 1,798	1.0614	31/01/2023	14	–
USD 2,543	EUR 2,392	1.0630	31/01/2023	14	–
GBP 1,208	USD 1,465	1.2123	31/01/2023	10	–
USD 783	CHF 728	1.0753	31/01/2023	6	–
USD 2,592	EUR 2,430	1.0668	31/01/2023	6	–
USD 952	EUR 896	1.0630	31/01/2023	5	–
USD 390	EUR 368	1.0614	31/01/2023	3	–
CHF 6,124	USD 6,639	1.0841	31/01/2023	2	–
USD 350	EUR 329	1.0642	31/01/2023	2	–
USD 5,344	EUR 5,000	1.0687	31/01/2023	2	–
CHF 7,721	USD 8,371	1.0841	31/01/2023	2	–
USD 445	EUR 418	1.0643	31/01/2023	2	–
GBP 222	USD 268	1.2062	31/01/2023	1	–
GBP 2,628	USD 3,163	1.2032	03/01/2023	1	–
USD 253	EUR 237	1.0672	31/01/2023	1	–
CHF 14	USD 16	1.0861	31/01/2023	–	–
CHF 61	USD 67	1.0847	31/01/2023	–	–
USD 24	CHF 23	1.0751	31/01/2023	–	–
CHF 8	USD 9	1.0852	31/01/2023	–	–
CHF 30	USD 33	1.0860	31/01/2023	–	–
USD 53	EUR 50	1.0630	31/01/2023	–	–
GBP 15	USD 18	1.2151	31/01/2023	–	–
USD 19	EUR 18	1.0643	31/01/2023	–	–
USD 101	EUR 95	1.0688	31/01/2023	–	–
CHF 92	USD 100	1.0841	31/01/2023	–	–
USD 4	EUR 3	1.0682	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				424,368	0.01
Total Financial Assets at fair value through profit or loss				3,917,765,949	95.89

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.03%) (2021: (0.01%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 140,443,314	GBP 115,577,507	1.2151	31/01/2023	(1,320,541)	(0.03)
USD 65,710,862	CHF 60,611,173	1.0841	31/01/2023	(20,423)	–
CHF 2,917,712	USD 3,153,209	1.0807	31/01/2023	(9,009)	–
USD 19,428,942	CHF 17,921,101	1.0841	31/01/2023	(6,039)	–
EUR 465,882	USD 495,252	1.0630	31/01/2023	(2,803)	–
CHF 865,867	USD 935,753	1.0807	31/01/2023	(2,674)	–
EUR 428,787	USD 456,521	1.0647	31/01/2023	(1,877)	–
CHF 203,840	USD 219,195	1.0753	31/01/2023	(1,727)	–
EUR 155,735	USD 165,808	1.0647	31/01/2023	(682)	–
EUR 96,512	USD 102,597	1.0630	31/01/2023	(581)	–
EUR 117,246	USD 124,779	1.0643	31/01/2023	(564)	–
EUR 99,955	USD 106,378	1.0643	31/01/2023	(480)	–
EUR 136,271	USD 145,375	1.0668	31/01/2023	(307)	–
USD 24,289	GBP 19,989	1.2151	31/01/2023	(228)	–
EUR 36,803	USD 39,123	1.0630	31/01/2023	(221)	–
EUR 59,419	USD 63,389	1.0668	31/01/2023	(134)	–
EUR 47,380	USD 50,545	1.0668	31/01/2023	(107)	–
EUR 15,673	USD 16,644	1.0620	03/01/2023	(83)	–
EUR 245,453	USD 262,322	1.0687	31/01/2023	(82)	–
EUR 11,662	USD 12,373	1.0610	03/01/2023	(73)	–
EUR 15,421	USD 16,419	1.0647	31/01/2023	(67)	–
USD 32,722	CHF 30,132	1.0860	31/01/2023	(65)	–
EUR 190,687	USD 203,792	1.0687	31/01/2023	(64)	–
CHF 5,420	USD 5,828	1.0753	31/01/2023	(46)	–
EUR 5,597	USD 5,949	1.0630	31/01/2023	(34)	–
USD 134,275	GBP 111,598	1.2032	03/01/2023	(34)	–
USD 4,453	GBP 3,673	1.2123	31/01/2023	(31)	–
EUR 5,294	USD 5,636	1.0647	31/01/2023	(23)	–
EUR 4,698	USD 4,999	1.0643	31/01/2023	(22)	–
USD 1,166,895	GBP 970,051	1.2029	03/01/2023	(20)	–
EUR 2,392	USD 2,538	1.0610	03/01/2023	(15)	–
EUR 2,464	USD 2,619	1.0630	31/01/2023	(15)	–
EUR 43,021	USD 45,978	1.0687	31/01/2023	(14)	–
EUR 2,017	USD 2,142	1.0620	03/01/2023	(11)	–
EUR 1,869	USD 1,990	1.0647	31/01/2023	(8)	–
USD 3,473	GBP 2,880	1.2062	31/01/2023	(7)	–

Portfolio Statements continued

As at 31 December 2022

Global Technology Fund continued

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.03%) (2021: (0.01%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
EUR 896	USD 951	1.0610	03/01/2023	(6)	–
CHF 426	USD 460	1.0791	31/01/2023	(2)	–
USD 6,639	CHF 6,124	1.0841	31/01/2023	(2)	–
USD 261	GBP 216	1.2071	31/01/2023	(1)	–
EUR 190	USD 202	1.0647	31/01/2023	(1)	–
USD 3,165	GBP 2,628	1.2040	31/01/2023	(1)	–
EUR 75	USD 80	1.0672	31/01/2023	–	–
EUR 177	USD 189	1.0672	31/01/2023	–	–
EUR 171	USD 182	1.0687	31/01/2023	–	–
USD 35	GBP 29	1.2144	31/01/2023	–	–
USD 522	GBP 433	1.2040	31/01/2023	–	–
USD 29	CHF 27	1.0859	31/01/2023	–	–
EUR 55	USD 59	1.0688	31/01/2023	–	–
USD 9	CHF 8	1.0852	31/01/2023	–	–
EUR 162	USD 173	1.0687	31/01/2023	–	–
EUR 39	USD 42	1.0673	31/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(1,369,124)	(0.03)
Total Financial Liabilities at fair value through profit or loss				(1,369,124)	(0.03)

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 4,430,356,083)	3,916,396,825	95.86
Cash at Bank	183,726,824	4.50
Other Net Liabilities	(14,428,807)	(0.36)
Net Assets Attributable to Holders of Redeemable Participating Shares	4,085,694,842	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 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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.41	94.80
Exchange traded financial derivative instruments	0.01	0.28
OTC Financial derivative instruments	0.01	0.13
Other assets	4.57	4.79
	100.00	100.00

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

Healthcare Bluechip Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 96.69% (2021: 95.63%)		
	Containers-Paper/Plastic: 2.02% (2021: 2.68%)		
38,172	AptarGroup	4,198,157	2.02
	Total Containers-Paper/Plastic	4,198,157	2.02
	Dental Supplies & Equipment: Nil (2021: 2.72%)	–	–
	Diagnostic Equipment: 2.22% (2021: 2.53%)		
217,882	Avantor	4,595,131	2.22
	Total Diagnostic Equipment	4,595,131	2.22
	Diagnostic Kits: Nil (2021: 2.30%)	–	–
	Electronic Measuring Instruments: 2.03% (2021: Nil)		
10,682	Sartorius	4,211,295	2.03
	Total Electronic Measuring Instruments	4,211,295	2.03
	Medical Instruments: 6.53% (2021: 4.67%)		
99,113	Alcon	6,768,223	3.26
146,638	Boston Scientific	6,784,940	3.27
	Total Medical Instruments	13,553,163	6.53
	Medical Products: 2.10% (2021: 20.22%)		
19,554	Penumbra	4,349,983	2.10
	Total Medical Products	4,349,983	2.10
	Medical-Biomedical/Gene: 18.58% (2021: 15.19%)		
8,972	Argenx	3,335,101	1.61
48,921	BioMerieux	5,112,495	2.46
10,735	Bio-Rad Laboratories	4,513,960	2.18
27,904	DexCom Inc	3,159,849	1.52
7,094	Genmab	2,994,246	1.44
62,167	Incyte	4,993,253	2.41
39,541	Seagen	5,081,414	2.45
247,597	Swedish Orphan Biovitrum	5,125,646	2.47
15,216	United Therapeutics	4,231,418	2.04
	Total Medical-Biomedical/Gene	38,547,382	18.58

Portfolio Statements continued

As at 31 December 2022

Healthcare Bluechip Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 96.69% (2021: 95.63%) continued		
	Medical-Drugs: 46.95% (2021: 23.68%)		
76,892	AbbVie	12,426,516	5.99
312,200	Astellas Pharma	4,747,655	2.29
71,402	AstraZeneca	9,635,081	4.64
42,000	Coloplast	4,894,480	2.36
108,174	Cytokinetics	4,956,533	2.39
178,300	Daiichi Sankyo	5,743,113	2.77
34,174	Eli Lilly	12,502,216	6.03
24,264	HCA Healthcare	5,822,389	2.81
79,038	Johnson & Johnson	13,962,063	6.73
11,000	Lonza Group	5,387,051	2.60
112,062	Novartis	10,124,581	4.88
74,783	Sanofi	7,170,325	3.46
	Total Medical-Drugs	97,372,003	46.95
	Medical-HMO: 8.58% (2021: 10.64%)		
6,313	Humana	3,233,455	1.56
5,571	Molina Healthcare	1,839,656	0.89
24,000	UnitedHealth Group Inc	12,724,320	6.13
	Total Medical-HMO	17,797,431	8.58
	Medical-Hospitals: 5.28% (2021: 4.72%)		
50,884	Acadia Healthcare	4,188,771	2.02
739,943	Max Healthcare Institute	3,931,366	1.90
57,993	Tenet Healthcare	2,829,479	1.36
	Total Medical-Hospitals	10,949,616	5.28
	Medical-Outpatient/Home Med: Nil (2021: 1.85%)	–	–
	Medical-Wholesale Drug Distribution: Nil (2021: 2.35%)	–	–
	Pharmacy Services: 2.40% (2021: Nil)		
165,291	Option Care Health	4,973,606	2.40
	Total Pharmacy Services	4,973,606	2.40
	Physical Therapy/Rehab Centers: Nil (2021: 2.08%)	–	–
	Total Equities	200,547,767	96.69
	Total Transferable Securities	200,547,767	96.69

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
USD 1,092	EUR 1,024	1.0668	31/01/2023	2	–
Total unrealised gain on forward foreign currency contracts				2	0.00
Total Financial Assets at fair value through profit or loss				200,547,769	96.69

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.01%) (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 2,207,258	GBP 1,816,458	1.2151	31/01/2023	(20,754)	(0.01)
USD 5,769	GBP 4,781	1.2066	03/01/2023	(18)	–
USD 989,178	GBP 822,313	1.2029	03/01/2023	(17)	–
USD 310,162	GBP 257,841	1.2029	03/01/2023	(5)	–
USD 1,522	GBP 1,261	1.2066	03/01/2023	(5)	–
USD 134	GBP 111	1.2066	03/01/2023	(1)	–
USD 23,235	GBP 19,315	1.2029	03/01/2023	(1)	–
USD 15,818	GBP 13,150	1.2029	03/01/2023	–	–
USD 8	GBP 7	1.2066	03/01/2023	–	–
USD 88	GBP 73	1.2066	03/01/2023	–	–
USD 1,456	GBP 1,211	1.2029	03/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(20,801)	(0.01)
Total Financial Liabilities at fair value through profit or loss				(20,801)	(0.01)

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 193,342,630)	200,526,968	96.68
Cash at Bank	7,960,933	3.84
Other Net Liabilities	(1,073,259)	(0.52)
Net Assets Attributable to Holders of Redeemable Participating Shares	207,414,642	100.00

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

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.88	94.67
OTC Financial derivative instruments	–	0.01
Other assets	4.12	5.32
	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 2022

Healthcare Discovery Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.26% (2021: 95.54%)		
	Commercial Services: 2.32% (2021: 2.35%)		
15,150	Medley	451,245	1.16
14,558	Progyny	453,482	1.16
	Total Commercial Services	904,727	2.32
	Consulting Services: Nil (2021: 2.48%)	–	–
	Containers-Metal/Glass: 1.26% (2021: 2.19%)		
7,343	Gerresheimer	492,152	1.26
	Total Containers-Metal/Glass	492,152	1.26
	Diagnostic Equipment: Nil (2021: 0.03%)	–	–
	Diagnostic Kits: 2.59% (2021: 3.24%)		
25,218	Natera	1,013,007	2.59
	Total Diagnostic Kits	1,013,007	2.59
	Disposable Medical Product: Nil (2021: 1.95%)	–	–
	Drug Delivery Systems: 4.44% (2021: 0.79%)		
4,475	Bruker	305,866	0.79
77,216	Revance Therapeutics	1,425,407	3.65
	Total Drug Delivery Systems	1,731,274	4.44
	Enterprise Software/Serv: 3.36% (2021: 1.49%)		
46,673	Evolent Health	1,310,578	3.36
	Total Enterprise Software/Serv	1,310,578	3.36
	Health Care: 0.81% (2021: Nil)		
56,027	Global Health /India	317,484	0.81
	Total Health Care	317,484	0.81
	Health Care Cost Contain: Nil (2021: 0.66%)	–	–
	Healthcare Safety Device: 2.36% (2021: 3.14%)		
20,506	Tandem Diabetes Care	921,745	2.36
	Total Healthcare Safety Device	921,745	2.36

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.26% (2021: 95.54%) continued		
	Medical Imaging System 1.94% (2021: 2.19%)		
14,855	Lantheus	757,111	1.94%
	Total Medical Imaging System	757,111	1.94%
	Medical Information System: 4.03% (2021: 2.19%)		
27,855	Allscripts	491,362	1.26
4,335	Exact Sciences	214,626	0.55
26,640	Health Catalyst	283,183	0.72
25,765	Privia Health Group	585,123	1.50
	Total Medical Information System	1,574,294	4.03
	Medical Instruments: 1.19% (2021: 0.65%)		
76,687	Stereotaxis	158,742	0.41
	Total Medical Instruments	158,742	0.41
	Medical Labs & Testing Services: 3.33% (2021: 4.08%)		
43,563	Evotec	709,478	1.82
6,875	QuidelOrtho	588,981	1.51
	Total Medical Labs & Testing Services	1,298,459	3.33
	Medical Products: 14.89% (2021: 15.52%)		
18,399	AtriCure	816,548	2.09
13,398	Castle Biosciences	315,389	0.81
94,500	Cerus	344,925	0.88
19,075	Globus Medical	1,416,700	3.63
5,750	iRhythm Technologies	538,602	1.38
4,340	LivaNova	241,044	0.62
28,731	NanoString Technologies	228,986	0.59
13,342	Omnicell	672,704	1.72
5,290	Penumbra	1,176,813	3.02
68,913	Renalytix	60,099	0.15
2,500	Repligen	423,275	1.08
	Total Medical Products	6,235,085	15.98

Portfolio Statements continued

As at 31 December 2022

Healthcare Discovery Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.26% (2021: 95.54%) continued		
	Medical-Biomedical/Gene: 27.47% (2021: 25.75%)		
13,825	Adicet Bio	123,595	0.32
44,800	ALK-Abello	617,556	1.58
6,900	Apellis Pharmaceuticals	356,799	0.91
30,777	Arcutis Biotherapeutics	455,500	1.17
12,547	Arrowhead	508,906	1.30
5,400	Bavarian Nordic	165,382	0.42
37,225	BELLUS Health	305,990	0.78
18,276	Cerevel Therapeutics	576,425	1.48
71,100	ConvaTec Group	198,934	0.51
18,292	Exelixis	293,404	0.75
4,935	Guardant Health	134,232	0.34
41,349	Insmed	826,153	2.12
60,113	IVERIC bio	1,287,019	3.30
81,534	R1 RCM	892,797	2.29
56,961	Swedish Orphan Biovitrum	1,179,182	3.02
85,535	Valneva	568,172	1.46
30,834	Xenon Pharmaceuticals	1,215,785	3.12
41,929	Y-mAbs Therapeutics	204,614	0.52
26,390	Zai Lab	810,173	2.08
	Total Medical-Biomedical/Gene	10,720,618	27.47
	Medical-Drugs: 12.46% (2021: 11.69%)		
9,955	Cytokinetics	456,138	1.17
9,325	Harmony Biosciences	513,808	1.32
4,725	Intellia Therapeutics	164,855	0.42
21,058	Organon	588,150	1.51
12,595	Pacira BioSciences	486,293	1.25
16,175	Supernus Pharmaceuticals	576,962	1.48
71,899	Zealand Pharma	2,078,182	5.32
	Total Medical-Drugs	4,864,388	12.46
	Medical-Hospitals: 7.95% (2021: 6.16%)		
13,930	Acadia Healthcare	1,146,718	2.94
25,811	Krishna Institute of Medical Sciences	482,743	1.23
201,330	Max Healthcare Institute	1,069,680	2.74
14,552	Surgery Partners	405,419	1.04
	Total Medical-Hospitals	3,104,560	7.95

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.26% (2021: 95.54%) continued		
	Medical-Nursing Homes: 0.76% (2021: 1.20%)		
27,519	Korian	297,221	0.76
	Total Medical-Nursing Homes	297,221	0.76
	Medical-Outpatient/Home Med: 2.04% (2021: 1.03%)		
8,011	Addus HomeCare	797,014	2.04
	Total Medical-Outpatient/Home Med	797,014	2.04
	Medical-Wholesale Drug Distribution: 3.17% (2021: 3.78%)		
60,800	Ship Healthcare	1,238,625	3.17
	Total Medical-Wholesale Drug Distribution	1,238,625	3.17
	Pharmacy Services: 1.75% (2021: 2.42%)		
22,668	Option Care Health	682,080	1.75
	Total Pharmacy Services	682,080	1.75
	Physical Therapy/Rehab Centers: Nil (2021: 2.05%)	–	–
	Semiconductor Equipment: 0.83% (2021: Nil)		
5,540	Azenta	322,539	0.83
	Total Semiconductor Equipment	322,539	0.83
	Therapeutics: Nil (2021: 0.71%)	–	–
	Total Equities	38,741,602	99.26
	Total Transferable Securities	38,741,602	99.26
	Total Financial Assets at fair value through profit or loss	38,741,602	99.26

		Fair Value US$	% of Net Assets
	Total Value of Investments (Cost: US$ 49,556,161)	38,741,602	99.26
	Cash at Bank	804,410	2.06
	Other Net Liabilities	(517,394)	(1.32)
	Net Assets Attributable to Holders of Redeemable Participating Shares	39,028,618	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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.60	94.24
Other assets	2.40	5.76
	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 2022

Healthcare Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 100.42% (2021: 96.65%)		
	Commercial Services: 2.86% (2021: 1.42%)		
1,617,932	Medley	48,190,327	2.86
	Total Commercial Services	48,190,327	2.86
	Containers-Paper/Plastic: Nil (2021: 1.85%)	–	–
	Diagnostic Equipment: 1.65% (2021: 3.40%)		
1,323,203	Avantor	27,906,351	1.65
	Total Diagnostic Equipment	27,906,351	1.65
	Diagnostic Kits: 0.25% (2021: 0.47%)		
6,844,158	Angle	4,157,583	0.25
	Total Diagnostic Kits	4,157,583	0.25
	Disposable Medical Product: 2.36% (2021: 1.79%)		
563,251	Merit Medical Systems	39,776,786	2.36
	Total Disposable Medical Product	39,776,786	2.36
	Drug Delivery Systems: 3.46% (2021: 1.46%)		
3,158,358	Revance Therapeutics	58,303,289	3.46
	Total Drug Delivery Systems	58,303,289	3.46
	Health Care: 1.10% (2021: Nil)		
3,265,673	Global Health /India	18,505,349	1.10
	Total Health Care	18,505,349	1.10
	Medical Instruments: 4.09% (2021: 7.38%)		
1,493,350	Boston Scientific	69,097,304	4.09
	Total Medical Instruments	69,097,304	4.09
	Medical Products: 9.80% (2021: 15.02%)		
646,623	Axonics Modulation Technologies	40,433,336	2.40
513,830	Globus Medical	38,162,154	2.26
492,923	LivaNova	27,376,943	1.62
267,299	Penumbra	59,463,336	3.52
	Total Medical Products	165,435,769	9.80

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 100.42% (2021: 96.65%) continued		
	Medical-Biomedical/Gene: 21.88% (2021: 16.39%)		
128,619	Argenx	47,810,667	2.83
63,280	Bio-Rad Laboratories	26,608,607	1.58
420,000	DexCom Inc	47,560,800	2.82
1,808,515	IVERIC bio	38,720,306	2.29
800,718	Legend Biotech	39,971,843	2.37
3,542,783	Swedish Orphan Biovitrum	73,341,167	4.34
202,038	United Therapeutics	56,184,748	3.33
992,119	Xenon Pharmaceuticals	39,119,252	2.32
	Total Medical-Biomedical/Gene	369,317,390	21.88
	Medical-Drugs: 28.37% (2021: 18.45%)		
1,401,471	Alkermes plc	36,620,437	2.17
3,182,612	Astellas Pharma	48,398,280	2.87
677,459	AstraZeneca	91,417,224	5.42
2,812,490	Avadel Pharmaceuticals ADR	20,137,429	1.19
198,868	Becton Dickinson	50,572,132	3.00
1,880,206	Cytokinetics	86,151,039	5.10
1,303,204	Daiichi Sankyo	41,976,710	2.49
16,434,331	Redx Pharma	12,750,914	0.75
3,140,230	Zealand Pharma	90,765,777	5.38
	Total Medical-Drugs	478,789,942	28.37
	Medical-HMO: 5.46% (2021: 3.19%)		
136,862	Intuitive Surgical	36,316,332	2.15
168,889	Molina Healthcare	55,770,525	3.31
	Total Medical-HMO	92,086,857	5.46
	Medical-Hospitals: 8.87% (2021: 6.48%)		
691,722	Acadia Healthcare	56,942,555	3.37
1,497,296	Krishna Institute of Medical Sciences	28,003,942	1.66
12,195,133	Max Healthcare Institute	64,793,554	3.84
	Total Medical-Hospitals	149,740,051	8.87
	Medical-Outpatient/Home Med: 1.99% (2021: 3.78%)		
338,286	Addus HomeCare	33,656,074	1.99
	Total Medical-Outpatient/Home Med	33,656,074	1.99

Portfolio Statements continued

As at 31 December 2022

Healthcare Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 100.42% (2021: 96.65%) continued		
	Medical-Wholesale Drug Distribution: 5.23% (2021: 7.55%)		
1,019,415	Glenmark Life Sciences	5,177,169	0.31
1,629,037	Ship Healthcare	33,186,945	1.97
15,068,848	Uniphar – En Dublin	49,854,912	2.95
	Total Medical-Wholesale Drug Distribution	88,219,026	5.23
	Pharmacy Services: 3.05% (2021: 5.96%)		
1,711,352	Option Care Health	51,494,582	3.05
	Total Pharmacy Services	51,494,582	3.05
	Physical Therapy/Rehab Centers: Nil (2021: 2.06%)	–	–
	Total Equities	1,694,676,680	100.42
	Warrants: Nil (2021: Nil)		
79,374	Quotient	30,162	–
	Total Warrants	30,162	–
	Total Transferable Securities	1,694,706,842	100.42

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
USD 6,463,684	EUR 6,058,907	1.0668	31/01/2023	13,637	–
USD 116,705	EUR 109,981	1.0611	03/01/2023	673	–
USD 66,417	EUR 62,591	1.0611	03/01/2023	383	–
USD 19,214	EUR 18,107	1.0611	03/01/2023	111	–
USD 715	EUR 674	1.0620	03/01/2023	4	–
USD 403	EUR 379	1.0620	03/01/2023	2	–
USD 106	EUR 99	1.0620	03/01/2023	1	–
USD –	GBP –	1.0000	03/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				14,811	–
Total Financial Assets at fair value through profit or loss				1,694,721,653	100.42

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 6,021	GBP 4,990	1.2066	03/01/2023	(19)	–
USD 527,606	GBP 438,604	1.2029	03/01/2023	(9)	–
USD 9,987	GBP 8,302	1.2029	03/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(28)	–
Total Financial Liabilities at fair value through profit or loss				(28)	0.00

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 1,392,195,269)	1,694,721,625	100.42
Cash at Bank	741,375	0.04
Other Net Liabilities	(7,786,620)	(0.46)
Net Assets Attributable to Holders of Redeemable Participating Shares	1,687,676,380	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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.34	96.13
Other assets	2.66	3.87
	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 2022

Income Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Corporate Bonds: 38.03% (2021: 15.58%)		
	Bermuda: 1.31% (2021: Nil)		
1,000,000	Lancashire 5.625% 18/09/2041	654,844	1.31
	Total Bermuda	654,844	1.31
	Cyprus: 0.93% (2021: 0.69%)		
750,000	Hellenic Bank 10.000% 31/12/2049	461,804	0.93
	Total Cyprus	461,804	0.93
	France: 0.87% (2021: Nil)		
500,000	Coface 6.000% 22/09/2032	432,501	0.87
	Total France	432,501	0.87
	Ireland: 3.96% (2021: Nil)		
1,000,000	AIB Group 6.250% 31/12/2049	832,868	1.67
8,000,000	International Person Finance 0.000% 19/10/2024	536,158	1.08
400,000	Permanent TSB 13.250% 31/12/2049	384,756	0.77
300,000	Permanent TSB 3.000% 19/08/2031	217,859	0.44
	Total Ireland	1,971,641	3.96
	Mauritius: Nil (2021: 1.75%)	–	–
	Netherlands: 1.53% (2021: 2.11%)		
1,000,000	Cooperatieve Rabobank 4.875% 31/12/2049	763,309	1.53
	Total Netherlands	763,309	1.53
	Portugal: 0.38% (2021: 0.57%)		
300,000	Banco Comercial Portugues 4.000% 17/05/2032	187,495	0.38
	Total Portugal	187,495	0.38
	Spain: 0.98% (2021: Nil)		
600,000	CaixaBank 5.875% 09/10/2027	488,990	0.98
	Total Spain	488,990	0.98
	Switzerland: 2.22% (2021: Nil)		
800,000	Credit Suisse 6.250% 29/12/2049	524,315	1.05
700,000	UBS 5.000% 31/12/2049	581,287	1.17
	Total Switzerland	1,105,602	2.22

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Corporate Bonds: 38.03% (2021: 15.58%) continued		
	United Kingdom: 24.33% (2021: 9.15%)		
900,000	Aviva 6.875% 31/12/2049	818,475	1.64
825,000	Barclays 8.875% 31/12/2049	815,240	1.64
425,000	Chesnara 4.750% 04/08/2032	313,047	0.63
50,000	HDL Debenture 10.375% 31/07/2023	53,252	0.11
825,000	IG 3.125% 18/11/2028	626,501	1.26
950,000	International Personal Finance 9.750% 12/11/2025	708,091	1.42
300,000	Investec 9.125% 06/03/2033	304,979	0.61
750,000	Jupiter Fund Management FRN 8.87527/07/2030	765,003	1.54
400,000	Legal & General 5.625% 29/12/2049	345,250	0.69
850,000	Nationwide Building Society 5.750% 31/12/2049	764,930	1.53
4,500	Nationwide Building Society 10.250% 29/06/2049	562,219	1.13
550,000	NatWest 2.105% 28/11/2031	456,434	0.92
900,000	NatWest 5.125% 31/12/2049	758,210	1.52
650,000	Pension Insurance 3.625% 21/10/2032	487,816	0.98
800,000	Pension Insurance FRN (Perpetual) 7.37531/12/2049	750,840	1.51
550,000	Phoenix 5.625% 28/04/2031	487,615	0.98
800,000	Provident Financial 8.875% 13/01/2032	716,140	1.44
500,000	Rothesay Life 5.000% 31/12/2049	348,797	0.70
850,000	Rothesay Life FRN (Perpetual) 6.87531/12/2049	762,768	1.53
300,000	Shawbrook 12.103% 31/12/2049	277,387	0.56
600,000	Shawbrook FRN 9.00010/10/2030	582,009	1.17
500,000	Utmost Group 6.125% 31/12/2049	408,687	0.82
	Total United Kingdom	12,113,690	24.33
	United States: 1.52% (2021: 1.31%)		
999,700	Burford Capital Finance 6.125% 12/08/2025	754,616	1.52
	Total United States	754,616	1.52
	Total Corporate Bonds	18,934,492	38.03
	Government Bonds: 2.85% (2021: 4.90%)		
	Singapore: Nil (2021: 2.55%)	–	–
	United States: 2.85% (2021: 2.35%)		
850,000	United States Treasury Inflation Indexed Bonds 0.132% 15/04/2026	755,774	1.52
530,000	United States Treasury Inflation Indexed Bonds 3.259% 15/01/2027	664,972	1.33
	Total United States	1,420,746	2.85
	Total Government Bonds	1,420,746	2.85

Portfolio Statements continued

As at 31 December 2022

Income Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Equities: 52.59% (2021: 63.95%)		
	Australia: 1.14% (2021: 1.12%)		
825,000	Litigation Capital Management	569,250	1.14
	Total Australia	569,250	1.14
	Bermuda: 2.99% (2021: 2.69%)		
28,500	Arch Capital	1,487,430	2.99
	Total Bermuda	1,487,430	2.99
	Canada: Nil (2021: 1.95%)	–	–
	Finland: 4.35% (2021: 3.50%)		
50,000	Sampo Plc	2,165,730	4.35
	Total Finland	2,165,730	4.35
	Germany: 2.76% (2021: 1.92%)		
5,400	Allianz	962,521	1.93
2,500	Hannover Rueck SE	411,454	0.83
	Total Germany	1,373,975	2.76
	Guernsey: 5.54% (2021: 6.07%)		
137,916	Chenavari Capital Solutions Red Ord	–	–
330,000	Doric Nimrod Air Two	311,850	0.63
3,350,000	DP Aircraft I	125,322	0.25
574,992	ICG-Longbow Senior Secured UK Property Debt Investments	301,871	0.61
460,000	Real Estate Credit Investments	614,100	1.23
895,000	Tufton Oceanic Assets Fund	855,640	1.72
556,000	TwentyFour Income Fund	549,328	1.10
	Total Guernsey	2,758,111	5.54
	Ireland: 2.34% (2021: Nil)		
200,000	AIB Group	641,645	1.29
520,000	Greencoat Renewables	525,951	1.05
	Total Ireland	1,167,596	2.34
	Netherlands: Nil (2021: 3.35%)	–	–
	Norway: 1.43% (2021: 1.50%)		
66,300	SpareBank 1 SMN	712,809	1.43
	Total Norway	712,809	1.43
	Republic of South Korea: 1.00% (2021: 0.94%)		
21,450	Shinhan Financial	496,388	1.00
	Total Republic of South Korea	496,388	1.00

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Equities: 52.93% (2021: 63.95%) continued		
	Singapore: 1.14% (2021: 1.95%)		
26,950	DBS	566,620	1.14
	Total Singapore	566,620	1.14
	Sweden: Nil (2021: 1.33%)	–	–
	Switzerland: 5.36% (2021: 4.82%)		
10,600	Chubb	1,943,935	3.91
46,800	UBS	723,495	1.45
	Total Switzerland	2,667,430	5.36
	Thailand: 1.61% (2021: 1.48%)		
335,500	Tisco Financial	799,242	1.61
	Total Thailand	799,242	1.61
	United Kingdom: 17.06% (2021: 20.78%)		
163,685	Beazley	1,112,240	2.23
240,000	Direct Line Insurance	531,120	1.07
500,000	Distribution Finance Capital	167,500	0.34
1,360,000	Ground Rents Income Fund	654,160	1.31
42,000	H&T	201,600	0.40
237,500	International Personal Finance	173,612	0.35
145,000	OSB	695,710	1.38
350,000	Personal	686,000	1.38
125,000	Phoenix Spree Deutschland	308,750	0.62
2,350,000	Riverstone Credit Opportunities Income Fund	1,797,323	3.61
475,000	RM Secured Direct Lending	403,750	0.81
1,260,000	VPC Specialty Lending	1,047,060	2.10
550,000	XPS Pensions	764,500	1.54
	Total United Kingdom	8,543,325	17.06
	United States: 6.11% (2021: 10.55%)		
48,015	Ares Capital	737,249	1.48
8,000	Esquire Financial	287,705	0.58
73,555	Golub Capital BDC	804,708	1.62
2,718	Visa	469,442	0.94
21,653	Wells Fargo	743,247	1.49
	Total United States	3,042,351	6.11
	Total Equities	26,350,257	52.93
	Total Transferable Securities	46,705,495	93.81

Portfolio Statements continued

As at 31 December 2022

Income Opportunities Fund continued

Financial assets at fair value through profit or loss

Futures Contracts – Unrealised Gains: 0.21% (2021: 0.05%)

Description	Country	Currency	No. of Contracts	Unrealised Gain	% of Net Assets
Germany: 0.09% (2021: 0.05%)					
Future Euro Stoxx 50 Eux March 2023	DE	GBP	(25)	42,698	0.09
Total Germany				42,698	0.09
United Kingdom: 0.12% (2021: Nil)					
Future LIF Long Gilt March 2023	UK	GBP	(10)	61,300	0.12
Total United Kingdom				61,300	0.12
Total Futures Contracts – Unrealised Gains				103,998	0.21

Open Forward Currency Contracts: 0.18% (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
GBP 4,096,693	USD 4,978,072	0.8229	31/01/2023	38,886	0.08
GBP 2,668,495	USD 3,242,606	0.8229	31/01/2023	25,330	0.05
GBP 1,027,398	EUR 1,170,210	0.8780	31/01/2023	11,900	0.03
GBP 979,361	EUR 1,115,496	0.8780	31/01/2023	11,344	0.02
GBP 121,447	EUR 138,328	0.8780	31/01/2023	1,407	–
GBP 232,135	USD 280,775	0.8268	31/01/2023	1,121	–
GBP 144,304	USD 174,541	0.8268	31/01/2023	697	–
GBP 9,884	EUR 11,258	0.8780	31/01/2023	114	–
Total unrealised gain on forward foreign currency contracts				90,799	0.18
Total Financial Assets at fair value through profit or loss				46,900,292	94.20

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: (0.77%))

Total Financial Liabilities at fair value through profit or loss	–	–

	Fair Value GBP£	% of Net Assets
Total Value of Investments (Cost: GBP£ 42,492,294)	46,900,292	94.20
Cash at Bank	2,097,956	4.21
Margin Cash	741,899	1.49
Other Net Assets	47,806	0.10
Net Assets Attributable to Holders of Redeemable Participating Shares	48,787,593	100.00

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

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	93.09	82.82
Exchange traded financial derivative instruments	0.21	0.04
OTC Financial derivative instruments	0.18	–
Other assets	6.52	17.14
	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 2022

Japan Value Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	Equities: 98.96% (2021: 98.91%)		
	Basic Materials: 7.24% (2021: 5.85%)		
440,000	Nihon Parkerizing	412,720,000	1.66
33,500	SK Kaken	1,390,250,000	5.58
	Total Basic Materials	1,802,970,000	7.24
	Communications: 4.56% (2021: 11.03%)		
300,000	Amuse	525,000,000	2.11
210,000	Tokyo Broadcasting System	321,720,000	1.29
215,000	TV Asahi	288,100,000	1.16
	Total Communications	1,134,820,000	4.56
	Consumer Discretionary: 5.94% (2021: 3.35%)		
20,000	Shimamura	262,000,000	1.05
275,000	Tokai Corp (Gifu)	529,100,000	2.12
460,000	Toyo Tire	688,620,000	2.77
	Total Consumer Discretionary	1,479,720,000	5.94
	Consumer Staples: Nil (2021: 1.80%)	–	–
	Consumer, Cyclical: 10.48% (2021: 11.85%)		
150,000	Honda Motor	454,800,000	1.83
210,000	Suzuki Motor	896,910,000	3.60
348,000	Topre	394,632,000	1.58
240,000	TS Tech	363,600,000	1.46
270,000	United Arrows	500,040,000	2.01
	Total Consumer, Cyclical	2,609,982,000	10.48
	Consumer, Non-cyclical: 15.14% (2021: 19.76%)		
155,000	Aeon Delight	469,650,000	1.89
150,000	Benesse Holdings	300,900,000	1.21
370,000	Medikit	951,640,000	3.82
105,000	San-A	452,025,000	1.82
80,000	Secom	603,440,000	2.42
555,000	Tanseisha	396,825,000	1.59
700,000	Vital KSK Holdings	595,000,000	2.39
	Total Consumer, Non-cyclical	3,769,480,000	15.14

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	Equities: 98.96% (2021: 98.91%) continued		
	Financial: 19.72% (2021: 12.39%)		
195,000	Aeon Mall	332,475,000	1.34
150,000	Bank of Kyoto	879,000,000	3.53
1,400,000	Concordia Financial	770,000,000	3.09
675,000	Mitsubishi UFJ Lease & Finance	438,075,000	1.76
310,000	Sumitomo Mitsui Financial	1,641,760,000	6.59
300,000	Tokio Marine	848,250,000	3.41
	Total Financial	4,909,560,000	19.72
	Health Care: 1.75% (2021: Nil)		
150,000	Tsumura & Co	434,700,000	1.75
	Total Health Care	434,700,000	1.75
	Industrial: 23.90% (2021: 20.65%)		
420,000	Anest Iwata	362,040,000	1.46
450,000	Cosel	456,300,000	1.83
200,000	Daiei Kankyo Co Ltd	380,800,000	1.53
900,000	Daiwa Industries	1,014,300,000	4.07
240,000	JSP	355,440,000	1.43
275,000	METAWATER	447,150,000	1.80
210,000	NICHIAS	496,020,000	1.99
300,000	Nitto Kohki	448,200,000	1.80
140,000	Nohmi Bosai	222,040,000	0.89
190,000	Pasco	258,210,000	1.04
185,700	Skymark Airlines Inc	267,036,600	1.07
270,000	Toshiba	1,242,810,000	4.99
	Total Industrial	5,950,346,600	23.90
	Technology: 10.23% (2021: 12.23%)		
882,800	Forum Engineering	747,731,600	3.00
235,000	Jastec	270,015,000	1.08
270,000	MinebeaMitsumi	532,170,000	2.14
50,000	Mitsubishi Research Institute	244,000,000	0.98
160,000	NS Solutions	512,000,000	2.06
80,000	SRA Holdings	242,400,000	0.97
	Total Technology	2,548,316,600	10.23
	Total Equities	24,639,895,200	98.96
	Total Transferable Securities	24,639,895,200	98.96

Portfolio Statements continued

As at 31 December 2022

Japan Value Fund continued

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: Nil (2021: 0.79%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain JPY¥	% of Net Assets
GBP 446,424	JPY 71,132,763	159.3390	31/01/2023	458,840	–
JPY 4,395,803	EUR 31,484	139.6216	31/01/2023	19,884	–
GBP 3,682	JPY 590,791	160.4395	31/01/2023	7,837	–
GBP 5,214	JPY 830,800	150.3390	31/01/2023	5,359	–
GBP 2,926	JPY 466,251	159.3389	31/01/2023	3,007	–
GBP 1,143	JPY 182,252	159.4227	31/01/2023	1,271	–
JPY 19,594	CHF 138	142.0885	31/01/2023	45	–
GBP 34	JPY 5,422	159.3300	31/01/2023	35	–
JPY 11,649	USD 89	130.9759	31/01/2023	21	–
JPY 3,491	EUR 25	139.6400	31/01/2023	15	–
GBP 2	JPY 371	159.2275	31/01/2023	2	–
JPY 1,403	EUR 10	140.3000	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				496,316	–
Total Financial Assets at fair value through profit or loss				24,640,391,516	98.96

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.22%) (2021: (0.02%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss JPY¥	% of Net Assets
JPY 1,955,497,616	GBP 12,177,611	160.5814	31/01/2023	(27,645,565)	(0.11)
JPY 2,756,361,380	USD 20,930,347	131.6921	31/01/2023	(10,127,878)	(0.04)
JPY 2,091,146,452	USD 15,879,058	131.6921	31/01/2023	(7,683,636)	(0.03)
JPY 462,472,666	GBP 2,879,989	160.5814	31/01/2023	(6,538,140)	(0.03)
JPY 659,600,738	EUR 4,698,220	140.3938	31/01/2023	(660,709)	(0.01)
JPY 285,400,553	CHF 1,999,430	142.7409	31/01/2023	(654,460)	–
JPY 197,895,397	CHF 1,386,396	142.7409	31/01/2023	(453,799)	–
JPY 341,124,578	EUR 2,429,770	140.3938	31/01/2023	(341,698)	–
JPY 62,603,902	USD 475,381	131.6921	31/01/2023	(230,029)	–
JPY 6,758,424	GBP 42,087	160.5814	31/01/2023	(95,546)	–
JPY 1,592,658	GBP 10,000	159.2658	31/01/2023	(9,546)	–
CHF 92,062	JPY 13,103,844	142.3376	31/01/2023	(7,000)	–
CHF 11,763	JPY 1,671,377	142.0864	31/01/2023	(3,848)	–
CHF 48,312	JPY 6,876,628	142.3376	31/01/2023	(3,674)	–
JPY 397,925	GBP 2,496	159.4244	31/01/2023	(2,779)	–

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.22%) (2021: (0.02%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss JPY¥	% of Net Assets
USD 8,136	JPY 1,065,627	130.9732	31/01/2023	(1,912)	–
JPY 171,225	CHF 1,200	142.7410	31/01/2023	(393)	–
JPY 147,409	EUR 1,050	140.3935	31/01/2023	(147)	–
CHF 1,038	JPY 147,776	142.3373	31/01/2023	(79)	–
CHF 544	JPY 77,501	142.3369	31/01/2023	(42)	–
JPY 2,005	GBP 13	160.4000	31/01/2023	(26)	–
Total unrealised loss on forward foreign currency contracts				(54,460,906)	(0.22)
Total Financial Liabilities at fair value through profit or loss				(54,460,906)	(0.22)

	Fair Value JPY¥	% of Net Assets
Total Value of Investments (Cost: JPY¥ 24,694,786,707)	24,585,930,610	98.74
Cash at Bank	313,303,553	1.26
Other Net Liabilities	(567,020)	–
Net Assets Attributable to Holders of Redeemable Participating Shares	24,898,667,143	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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.12	98.58
OTC Financial derivative instruments	–	0.79
Other assets	1.88	0.63
	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 2022

North American Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Investment Funds: 3.83% (2021: Nil)		
	Ireland: 3.83% (2021: Nil)		
31,333,564	Northern Trust Global Funds – US Dollar Fund	31,333,564	3.83
	Total Ireland	31,333,564	3.83
	Total Investment Funds	31,333,564	3.83
	Equities: 94.34% (2021: 97.47%)		
	Communications: 14.45% (2021: 23.45%)		
426,028	Alphabet	37,801,464	4.62
226,942	Amazon.com	19,063,128	2.33
7,863	Booking	15,846,147	1.94
150,227	Liberty Media	8,980,570	1.10
179,448	T-Mobile US	25,122,720	3.07
459,765	Uber	11,369,989	1.39
	Total Communications	118,184,018	14.45
	Consumer Discretionary: 1.50% (2021: 2.26%)		
177,765	Service Corporation International	12,290,672	1.50
	Total Consumer Discretionary	12,290,672	1.50
	Consumer, Cyclical: 1.90% (2021: 7.16%)		
754,214	Cannae	15,574,519	1.90
	Total Consumer, Cyclical	15,574,519	1.90
	Consumer, Non-Cyclical: 21.37% (2021: 21.20%)		
40,336	Anthem	20,691,158	2.53
260,317	Centene	21,348,597	2.61
231,257	Envista	7,786,423	0.95
88,474	ICON	17,186,075	2.10
1,041,273	Sabre	6,435,067	0.79
93,423	United Rentals	33,204,403	4.06
789,173	US Foods	26,847,665	3.28
198,875	Visa	41,318,270	5.05
	Total Consumer, Non-Cyclical	174,817,658	21.37
	Energy: 8.27% (2021: 2.18%)		
394,780	Canadian Natural Resources	21,907,456	2.68
1,138,716	Cenovus Energy	22,077,619	2.70
465,982	Ovintiv	23,629,947	2.89
	Total Energy	67,615,022	8.27

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Investment Funds: 3.83% (2021: Nil) continued		
	Financial: 16.38% (2021: 14.09%)		
131,612	Affiliated Managers	20,851,289	2.55
370,959	Arch Capital	23,288,806	2.85
129,451	First Republic Bank	15,778,782	1.93
203,554	Intercontinental Exchange	20,882,605	2.55
48,433	LPL Financial	10,469,762	1.28
83,044	RenaissanceRe	15,299,196	1.87
81,236	Signature Bank	9,360,012	1.14
96,316	Travelers Companies	18,058,287	2.21
	Total Financial	133,988,739	16.38
	Industrial: 7.65% (2021: 5.92%)		
123,074	Ametek	17,195,899	2.10
37,694	Littelfuse	8,300,219	1.01
60,981	Norfolk Southern	15,026,938	1.84
70,967	TE Connectivity	8,147,012	1.00
67,155	Union Pacific	13,905,786	1.70
	Total Industrial	62,575,854	7.65
	Materials: 1.58% (2021: Nil)		
341,259	Teck Resources	12,906,415	1.58
	Total Materials	12,906,415	1.58
	Technology: 21.24% (2021: 21.21%)		
210,201	Amdocs	19,107,271	2.34
106,885	Analog Devices	17,532,347	2.14
19,604	Constellation Software	30,585,683	3.74
196,245	Fiserv	19,834,482	2.42
176,975	Microsoft	42,442,145	5.19
112,567	MKS Instruments	9,537,802	1.17
142,916	Qualcomm	15,712,185	1.92
364,256	SS&C Technologies	18,963,167	2.32
	Total Technology	173,715,082	21.24
	Total Equities	771,667,979	94.34
	Total Transferable Securities	803,001,543	98.17

Portfolio Statements continued

As at 31 December 2022

North American Fund continued

Financial assets at fair value through profit or loss

Open Forward Currency Contracts: 0.02% (2021: 0.24%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US$	% of Net Assets
USD 37,917,457	EUR 35,542,940	1.0668	31/01/2023	80,001	0.01
USD 12,252,362	EUR 11,485,079	1.0668	31/01/2023	25,851	0.01
USD 620,391	EUR 581,540	1.0668	31/01/2023	1,309	–
USD 217,195	EUR 204,712	1.0610	03/01/2023	1,284	–
GBP 31,501	USD 38,188	1.2123	31/01/2023	270	–
USD 27,450	EUR 25,872	1.0610	03/01/2023	162	–
USD 31,659	EUR 29,748	1.0643	31/01/2023	143	–
GBP 8,079	USD 9,817	1.2151	31/01/2023	92	–
GBP 25,569	USD 30,842	1.2062	31/01/2023	64	–
USD 142,390	EUR 133,234	1.0687	31/01/2023	44	–
USD 3,152	EUR 2,965	1.0630	31/01/2023	18	–
GBP 34,327	USD 41,331	1.2040	31/01/2023	11	–
USD 2,735	EUR 2,564	1.0668	31/01/2023	6	–
GBP 477	USD 578	1.2123	31/01/2023	4	–
GBP 511	USD 616	1.2066	03/01/2023	2	–
GBP 6,228	USD 7,499	1.2040	31/01/2023	2	–
USD 282	EUR 265	1.0614	31/01/2023	2	–
USD 404	EUR 380	1.0631	31/01/2023	2	–
GBP 214	USD 258	1.2062	31/01/2023	1	–
USD 281	EUR 264	1.0642	31/01/2023	1	–
EUR 18	USD 19	1.0688	31/01/2023	–	–
USD 31	GBP 26	1.2028	03/01/2023	–	–
GBP 44	USD 53	1.2152	31/01/2023	–	–
USD 14	EUR 14	1.0673	31/01/2023	–	–
GBP 72	USD 87	1.2063	31/01/2023	–	–
GBP 89	USD 108	1.2032	03/01/2023	–	–
GBP 8	USD 10	1.2075	31/01/2023	–	–
GBP –	USD –	1.0000	03/01/2023	–	–
USD –	GBP –	1.0000	31/01/2023	–	–
GBP 487	USD 586	1.2032	03/01/2023	–	–
USD 290	EUR 271	1.0687	31/01/2023	–	–
Total unrealised gain on forward foreign currency contracts				109,269	0.02
Total Financial Assets at fair value through profit or loss				803,110,812	98.19

Financial liabilities at fair value through profit or loss

Open Forward Currency Contracts: (0.07%) (2021: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US$	% of Net Assets
USD 37,216,783	GBP 30,627,467	1.2151	31/01/2023	(349,937)	(0.05)
USD 18,686,948	GBP 15,378,381	1.2151	31/01/2023	(175,707)	(0.02)
USD 1,251,324	GBP 1,029,775	1.2151	31/01/2023	(11,766)	–
EUR 204,712	USD 217,618	1.0630	31/01/2023	(1,232)	–
EUR 1,776,190	USD 1,898,256	1.0687	31/01/2023	(593)	–
USD 1,046,341	CHF 965,137	1.0841	31/01/2023	(325)	–
EUR 54,583	USD 58,090	1.0643	31/01/2023	(262)	–
EUR 25,872	USD 27,503	1.0630	31/01/2023	(156)	–
EUR 20,553	USD 21,882	1.0647	31/01/2023	(90)	–
EUR 33,292	USD 35,516	1.0668	31/01/2023	(75)	–
EUR 2,965	USD 3,145	1.0610	03/01/2023	(19)	–
CHF 52,933	USD 57,357	1.0836	31/01/2023	(12)	–
USD 41,302	GBP 34,327	1.2032	03/01/2023	(10)	–
USD 1,800	GBP 1,491	1.2071	31/01/2023	(5)	–
EUR 7,329	USD 7,833	1.0687	31/01/2023	(3)	–
EUR 4,645	USD 4,964	1.0687	31/01/2023	(2)	–
EUR 380	USD 404	1.0610	03/01/2023	(2)	–
USD 7,494	GBP 6,228	1.2032	03/01/2023	(2)	–
EUR 473	USD 503	1.0642	31/01/2023	(2)	–
EUR 318	USD 338	1.0647	31/01/2023	(1)	–
USD 82,060	GBP 68,217	1.2029	03/01/2023	(1)	–
USD 67	GBP 55	1.2123	31/01/2023	(1)	–
EUR 177	USD 189	1.0672	31/01/2023	–	–
USD 182	GBP 151	1.2062	31/01/2023	–	–
USD 586	GBP 487	1.2040	31/01/2023	–	–
USD 108	GBP 89	1.2041	31/01/2023	–	–
USD 21	GBP 17	1.2145	31/01/2023	–	–
USD 322	GBP 267	1.2040	31/01/2023	–	–
Total unrealised loss on forward foreign currency contracts				(540,203)	(0.07)
Total Financial Liabilities at fair value through profit or loss				(540,203)	(0.07)

Portfolio Statements continued

As at 31 December 2022

North American Fund continued

	Fair Value US$	% of Net Assets
Total Value of Investments (Cost: US$ 741,873,283)	802,570,609	98.12
Cash at Bank	13,904,289	1.70
Other Net Assets	1,474,268	0.18
Net Assets Attributable to Holders of Redeemable Participating Shares	817,949,166	100.00

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

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.74	97.16
OTC Financial derivative instruments	0.01	0.24
Other assets	2.25	2.60
	100.00	100.00

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

Smart Energy Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.99% (2021: 99.58%)		
	Basic Materials: 5.93% (2021: 2.96%)		
15,800	Air Liquide	2,232,602	1.74
286,000	Lynas Rare Earths	1,522,514	1.19
158,000	MP Materials	3,836,240	3.00
	Total Basic Materials	7,591,356	5.93
	Consumer Discretionary: 1.64% (2021: 4.76%)		
6,100	LG Energy Solution	2,100,870	1.64
	Total Consumer Discretionary	2,100,870	1.64
	Consumer Staples: Nil (2021: 0.80%)	–	–
	Consumer, Cyclical: 1.64% (2021: Nil)		
85,000	BYD	2,097,515	1.64
	Total Consumer, Cyclical	2,097,515	1.64
	Energy: 18.77% (2021: 11.26%)		
36,500	Acciona Energias Renovables	1,407,820	1.10
93,500	Array Technologies	1,807,355	1.41
20,000	Contemporary Amperex Technology Co Ltd	1,137,241	0.89
18,500	EnerSys	1,366,040	1.07
3,000	Enphase Energy	794,880	0.62
17,300	First Solar	2,591,367	2.03
520,000	ITM Power	573,215	0.45
28,000	Maxeon Solar Technologies	449,680	0.35
131,000	Nordex	1,845,489	1.44
132,000	Plug Power	1,632,840	1.28
20,500	SolarEdge Technologies	5,807,035	4.54
72,000	SunPower	1,298,160	1.02
137,000	Sunrun	3,290,740	2.57
	Total Energy	24,001,862	18.77

Portfolio Statements continued

As at 31 December 2022

Smart Energy Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.99% (2021: 99.58%) continued		
	Industrial: 25.56% (2021: 22.76%)		
96,000	ABB	2,911,543	2.28
115,000	Alstom	2,800,785	2.19
81,000	Azbil	2,041,191	1.60
81,000	Cognex	3,815,910	2.98
470,500	Delta Electronics	4,385,751	3.43
23,500	Fuji Electric	895,866	0.70
37,000	Itron	1,874,050	1.47
9,300	Keyence	3,624,283	2.83
32,400	Nexans	2,920,188	2.28
17,200	Schneider Electric	2,399,588	1.88
14,500	Stadler Rail	514,051	0.40
329,500	Vertiv Holdings	4,500,970	3.52
	Total Industrial	32,684,176	25.56
	Materials: 6.32% (2021: 4.19%)		
9,000	Air Products and Chemicals	2,774,340	2.17
1,500	Albemarle	325,290	0.25
10,300	Linde	3,357,713	2.62
10,550	Livent	209,628	0.16
6,100	Rockwool	1,429,609	1.12
	Total Materials	8,096,580	6.32
	Technology: 33.94% (2021: 50.32%)		
64,500	AIXTRON	1,856,551	1.45
20,000	Analog Devices	3,280,600	2.56
156,700	Infineon Technologies	4,754,579	3.72
95,000	Lattice Semiconductor	6,163,600	4.82
126,000	Marvell Technology	4,667,040	3.65
7,100	Monolithic Power Systems	2,510,631	1.96
30,000	Nidec	1,554,966	1.22
80,000	Nordic Semiconductor	1,331,032	1.04
27,000	ON Semiconductor	1,683,990	1.32
11,500	Power Integrations	824,780	0.65
45,200	Qorvo	4,096,928	3.20
431,000	Renesas Electronics	3,865,918	3.02
19,000	Rohm	1,372,314	1.07
173,000	Silergy	2,456,915	1.92
85,000	STMicroelectronics	2,993,183	2.34
	Total Technology	43,413,027	33.94

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.99% (2021: 99.58%) continued		
	Utilities: 6.19% (2021: 2.53%)		
82,000	Boralex	2,421,964	1.89
158,500	Hydro One	4,242,810	3.32
52,500	RENOVA	938,630	0.74
17,000	Solaria Energia y Medio Ambiente	310,613	0.24
	Total Utilities	7,914,017	6.19
	Total Equities	127,899,403	99.99
	Total Transferable Securities	127,899,403	99.99
	Total Financial Assets at fair value through profit or loss	127,899,403	99.99

		Fair Value JPY¥	% of Net Assets
	Total Value of Investments (Cost: US$ 131,105,980)	127,899,403	99.99
	Cash at Bank	723,350	0.57
	Other Net Liabilities	(709,455)	(0.56)
	Net Assets Attributable to Holders of Redeemable Participating Shares	127,913,298	100.00

		Fair Value US$	% of Net Assets

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

Analysis of total assets	31 December 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.29	89.29
Other assets	1.71	10.71
	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 2022

Smart Mobility Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.81% (2021: 99.53%)		
	Automobiles & Parts: 8.87% (2021: 11.01%)		
6,300	Aptiv	586,719	5.65
1,100	Hyundai Mobis	174,417	1.68
5,000	Mando	159,351	1.54
	Total Automobiles & Parts	920,487	8.87
	Basic Materials: 2.31% (2021: Nil)		
1,700	Air Liquide	240,217	2.31
	Total Basic Materials	240,217	2.31
	Chemicals: Nil (2021: 8.05%)	–	–
	Communications: 4.05% (2021: 3.98%)		
17,000	Uber	420,410	4.05
	Total Communications	420,410	4.05
	Consumer Discretionary: 8.33% (2021: 6.44%)		
15,000	Hota Industrial Manufacturing	32,698	0.32
700	LG Energy Solution	241,083	2.33
4,500	Visteon	588,735	5.68
	Total Consumer Discretionary	862,516	8.33
	Consumer, Cyclical: 1.66% (2021: 6.91%)		
7,000	BYD	172,737	1.66
	Total Consumer, Cyclical	172,737	1.66
	Electronic & Electrical Equipment: 0.67% (2021: 8.36%)		
600	TE Connectivity	68,880	0.67
	Total Electronic & Electrical Equipment	68,880	0.67
	Energy: 6.72% (2021: 3.14%)		
2,500	Contemporary Amperex Technology Co Ltd	142,155	1.37
60,000	ITM Power	66,140	0.64
12,000	Plug Power	148,440	1.43
1,200	SolarEdge Technologies	339,924	3.28
	Total Energy	696,659	6.72

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.81% (2021: 99.53%) continued		
	Industrial: 6.33% (2021: 1.46%)		
24,000	Chroma ATE	141,335	1.36
4,000	Fuji Electric	152,488	1.47
2,600	Schneider Electric	362,728	3.50
	Total Industrial	656,551	6.33
	Industrial Engineering: 6.21% (2021: 6.55%)		
10,000	ABB	303,286	2.92
14,000	Alstom	340,965	3.29
	Total Industrial Engineering	644,251	6.21
	Industrials: 4.58% (2021: 1.90%)		
2,000	Stadler Rail	70,903	0.68
8,000	Trimble	404,480	3.90
	Total Industrials	475,383	4.58
	Leisure Goods: 0.81% (2021: 2.38%)		
10,000	Panasonic	84,164	0.81
	Total Leisure Goods	84,164	0.81
	Materials: 13.01% (2021: 5.34%)		
1,300	Air Products and Chemicals	400,738	3.86
150	Albemarle	32,529	0.31
900	Linde	293,393	2.83
900	Livent	17,883	0.17
27,000	Lynas Rare Earths	143,734	1.39
19,000	MP Materials	461,320	4.45
	Total Materials	1,349,597	13.01
	Technology: 14.66% (2021: 16.75%)		
5,500	Dassault Systemes	196,612	1.89
41,000	Delta Electronics	382,180	3.68
4,200	Nidec	217,695	2.10
1,500	ON Semiconductor	93,555	0.90
8,000	Sinbon Electronics	71,579	0.69
4,700	u-blox	559,814	5.40
	Total Technology	1,521,435	14.66

Portfolio Statements continued

As at 31 December 2022

Smart Mobility Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US$	% of Net Assets
	Equities: 99.81% (2021: 99.53%) continued		
	Technology Hardware & Equipment: 21.60% (2021: 17.26%)		
3,000	Analog Devices	492,090	4.74
14,000	Infineon Technologies	424,787	4.09
3,300	NXP Semiconductors	521,499	5.03
42,000	Renesas Electronics	376,725	3.63
2,000	Rohm	144,454	1.39
8,000	STMicroelectronics	281,711	2.72
	Total Technology Hardware & Equipment	2,241,266	21.60
	Total Equities	10,354,553	99.81
	Total Transferable Securities	10,354,553	99.81

		Fair Value US$	% of Net Assets
	Total Value of Investments (Cost: US$ 10,670,876)	10,354,553	99.81
	Cash at Bank	21,992	0.21
	Other Net Liabilities	(1,812)	(0.02)
	Net Assets Attributable to Holders of Redeemable Participating Shares	10,374,733	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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	99.43	95.46
Other assets	0.57	4.54
	100.00	100.00

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

UK Value Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Equities: 95.21% (2021: 97.51%)		
	Basic Materials: 9.11% (2021: 9.54%)		
636,126	Anglo American	20,588,218	2.05
4,255,571	Atalaya Mining	13,834,861	1.38
7,210,859	Central Asia Metals	17,810,822	1.77
1,364,885	Mondi	19,244,878	1.92
36,163,640	SigmaRoc	20,034,657	1.99
	Total Basic Materials	91,513,436	9.11
	Communications: 5.75% (2021: 2.71%)		
2,033,935	Gamma Communications	22,079,585	2.20
7,135,598	Spirent Communications	18,623,911	1.85
2,095,731	WPP	17,130,505	1.70
	Total Communications	57,834,001	5.75
	Consumer Discretionary: 7.95% (2021: Nil)		
3,221,140	Howdens Joinery	18,283,191	1.82
15,866,187	JD Sports Fashion	20,118,325	2.00
420,845	Next	24,543,681	2.45
3,686,243	Redrow	16,905,110	1.68
	Total Consumer Discretionary	79,850,307	7.95
	Consumer, Cyclical: 13.28% (2021: 17.36%)		
4,239,935	B&M European Value Retail	17,527,891	1.74
993,257	Bellway	18,976,175	1.89
1,751,402	Dunelm	17,382,665	1.73
2,452,929	Grafton	19,373,233	1.93
2,026,033	Inchcape	16,603,341	1.65
4,268,758	J Sainsbury	9,365,655	0.93
2,303,453	MJ Gleeson	7,831,740	0.78
11,901,448	Rank	9,937,709	0.99
4,856,827	Wincanton	16,440,359	1.64
	Total Consumer, Cyclical	133,438,768	13.28

Portfolio Statements continued

As at 31 December 2022

UK Value Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Equities: 95.21% (2021: 97.51%) continued		
	Consumer, Non-cyclical: 16.19% (2021: 24.51%)		
2,634,956	A.G. Barr	14,062,470	1.40
679,742	Cranswick	21,072,002	2.10
584,154	Hilton Food	3,288,787	0.33
15,562,209	Marks & Spencer	19,281,577	1.92
23,395,348	Premier Foods	25,407,348	2.53
7,354,936	PZ Cussons	15,471,049	1.54
4,502,197	QinetiQ	16,067,441	1.60
3,532,734	Restore	11,827,594	1.18
31,652,231	Speedy Hire	12,518,457	1.24
4,554,332	SThree	18,235,545	1.81
529,686	Young & Co's Brewery	5,413,391	0.54
	Total Consumer, Non-cyclical	162,645,661	16.19
	Energy: 4.81% (2021: 2.66%)		
2,133,016	Harbour Energy	6,471,571	0.64
8,288,761	Jadestone Energy	6,374,057	0.64
6,461,587	Serica Energy	18,512,447	1.84
726,305	Shell	16,984,642	1.69
	Total Energy	48,342,717	4.81
	Financial: 16.94% (2021: 24.76%)		
1,543,755	3i	20,655,442	2.06
10,982,256	Barclays	17,470,573	1.74
2,925,035	Beazley	19,860,987	1.98
5,642,020	Henry Boot	13,258,747	1.32
6,874,698	Natwest	18,307,321	1.82
2,675,300	Numis	5,064,771	0.50
3,804,910	OSB	18,400,545	1.83
664,903	Rathbone Brothers	13,663,756	1.36
2,697,848	Schroders	11,854,344	1.18
2,917,499	Standard Chartered	18,228,534	1.81
13,434,153	Watkin Jones	13,504,078	1.34
	Total Financial	170,269,098	16.94
	Health Care: 2.71% (2021: Nil)		
1,893,634	GSK	27,272,117	2.71
	Total Health Care	27,272,117	2.71

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	Industrial: 14.99% (2021: 14.03%)		
2,124,789	BAE Systems	18,209,442	1.81
36,538,490	Breedon	22,215,402	2.21
1,281,912	Hill & Smith	15,044,776	1.50
10,129,664	Kier	6,037,280	0.60
5,804,753	Luceco	5,514,515	0.55
6,147,161	Morgan Advanced Materials	19,209,878	1.91
1,671,877	Morgan Sindall	25,546,280	2.54
2,839,654	Renew	20,786,267	2.07
4,468,552	Vesuvius	18,026,139	1.80
	Total Industrial	150,589,979	14.99
	Materials: 1.68% (2021: Nil)		
6,113,590	Marshalls	16,885,736	1.68
	Total Materials	16,885,736	1.68
	Technology: 1.80% (2021: 1.94%)		
942,047	Computacenter	18,068,461	1.80
	Total Technology	18,068,461	1.80
	Total Equities	956,710,281	95.21
	Total Transferable Securities	956,710,281	95.21

		Fair Value GBP£	% of Net Assets
	Total Value of Investments (Cost: GBP£ 1,056,606,177)	956,710,281	95.21
	Cash at Bank	47,425,547	4.72
	Other Net Assets	741,101	0.07
	Net Assets Attributable to Holders of Redeemable Participating Shares	1,004,876,929	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 2022 % of Total Assets	31 December 2021 % of Total Assets
Transferable securities admitted to official stock exchange listing	94.95	97.15
Other assets	5.05	2.85
	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 2022

As at 31 December 2022

	Notes	Asian Opportunities Fund* US$	Asian Stars Fund US$	Automation and Artificial Intelligence US$	Biotechnology Fund US$
Assets					
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	–	–	–	–
Total Assets		14,322	137,947,397	368,396,481	1,603,663,067
Liabilities					
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)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(14,322)	(570,350)	(685,839)	(13,863,501)
Net assets attributable to holders of redeemable participating shares		–	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 Markets 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	–	528,905	–	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	1,083,943,107	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	–	1,059,532,315	119,901,361	18,980,895	108,734,576	747,916,347	2,516,683,415

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$
Assets					
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	–	–	–	–
Total Assets		4,105,397,884	209,165,564	39,694,002	1,741,073,869
Liabilities					
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)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(19,703,042)	(1,750,922)	(665,384)	(53,397,489)
Net assets attributable to holders of redeemable participating shares		4,085,694,842	207,414,642	39,028,618	1,687,676,380

* UK Absolute Equity Fund terminated on 15 May 2020.

The Financial Statements were approved by the Board of Directors of Polar Capital Funds plc on 31 March 2022 and signed on its behalf by:

David Hammond
Director

Karen Nolan
Director

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$
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

Comparative Statement of Financial Position

As at 31 December 2021

As at 31 December 2021

	Notes	Asian Opportunities Fund* US$	Asian Stars Fund US$	Automation & Artificial Intelligence Fund US$	Biotechnology Fund US$
Assets					
Transferable securities	10	–	167,959,084	753,389,515	1,711,901,465
Financial derivative instruments	10	–	–	1,279	3,649,007
Dividends and interest receivable		–	216,278	196,295	–
Amounts receivable on sale of securities		–	1,203.684	–	347,928
Amounts receivable on sale of redeemable participating shares		–	36,625	757,164	4,405,693
Sundry debtors		279	1,067	7,848	20,040
Cash at bank	10	14,913	2,707,513	23,037,351	11,989,544
Margin cash	10	–	–	–	–
Total Assets		15,192	172,124,260	777,389,452	1,732,313,677
Liabilities					
Financial derivative instruments	10	–	–	–	(3,664)
Bank overdraft	4	–	–	(5,772,695)	(1,873,888)
Amounts payable on redemption of redeemable participating shares		–	(118,089)	(1,598,126)	(5,703,086)
Amounts payable on purchase of securities		–	–	(549,402)	(623,580)
Dividends and interest payable		–	(51)	(5,313)	(2,497)
Investment management fee payable***	3	–	(55,024)	(444,026)	(2,318,762)
Performance fee payable	3	–	(992,104)	–	(7,476,886)
Sundry creditors	3	(15,192)	(916,856)	(190,583)	(407,215)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(15,192)	(2,082,124)	(8,560,145)	(18,409,578)
Net assets attributable to holders of redeemable participating shares		–	170,042,137	768,829,307	1,713,904,099

* Asian Opportunities Fund terminated on 1 March 2021.

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

*** Due to the request of the Management Company for 2022 onwards, the line item Management company fee payable is excluded from the 2021 comparative figures.

China Stars Fund US$	Emerging Markets Income Fund** US$	Emerging Markets 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
19,021,813	–	1,269,055,378	118,058,199	22,023,268	75,422,836	1,248,184,340	1,701,552,080
–	–	760	19,171	112	1,277,937	13,590,081	255
6,412	–	1,591,009	–	14,416	143,826	2,905,181	401,875
–	–	–	3,770,524	–	–	–	1,677,461
1,624	–	402,108	–	60,356	–	699,087	2,101,947
32	–	7,233	1,324	161	70	51,883	12,174
986,829	153,108	25,601,477	1,950,890	1,447,277	1,000,347	40,020,584	14,751,983
6,461	–	–	–	–	711,785	–	–
20,023,171	153,108	1,296,657,965	123,800,108	23,545,590	78,576,800	1,169,417,464	1,720,497,775
–	–	–	–	–	(1,270,948)	(8,019,278)	(222,337)
–	(26,670)	–	(4,427,479)	–	(6,477,572)	(92,313,308)	(9,052,423)
(782)	–	(826,444)	–	(18,932)	–	(707,411)	(7,863,868)
(11,603)	–	–	–	–	–	–	–
(175)	–	(74)	(1,518)	(160)	(3,235)	(83,333)	(9,862)
(6,587)	(18,467)	(1,246,505)	(208,137)	(22,261)	(70,080)	(839,936)	(1,260,403)
–	–	(1,023,961)	–	–	(382,160)	–	–
(24,695)	(107,971)	(5,207,566)	(23,471)	(7,475)	(47,421)	(549,792)	(256,158)
(43,842)	(153,108)	(8,304,550)	(4,660,605)	(48,828)	(8,251.416)	(102,513,058)	(18,665,051)
19,979,329	–	1,288,353,415	119,139,503	23,496,762	70,325,384	1,066,904,406	1,701,832,724

Comparative Statement of Financial Position continued

As at 31 December 2021

As at 31 December 2021

	Notes	Global Technology Fund US$	Healthcare Blue Chip Fund US$	Healthcare Discovery Fund US$	Healthcare Opportunities Fund US$
Assets					
Transferable securities	10	8,679,284,866	111,068,496	69,379,995	2,066,481,371
Financial derivative instruments	10	36,924,680	7,345	1	52,093
Dividends and interest receivable		2,732,465	19,772	5,864	132,222
Amounts receivable on sale of securities		–	1,243,788	–	–
Amounts receivable on sale of redeemable participating shares		15,285,113	422,226	179,472	15,449,126
Sundry debtors		97,715	2,523	16,950	35,345
Cash at bank	10	406,434,480	4,560,436	4,037,118	67,611,320
Margin cash	10	14,322,512	–	–	100
Total Assets		9,155,081,831	117,324,586	73,619,400	2,149,755,721
Liabilities					
Financial derivative instruments	10	(624,035)	(930)	(1)	(21,350)
Bank overdraft	4	(1,414,870)	–	–	–
Amounts payable on redemption of redeemable participating shares		(50,206,824)	(598,426)	(148,305)	(4,907,452)
Amounts payable on purchase of securities		(9,038,809)	(480,580)	–	–
Dividends and interest payable		(3,040)	(56)	(10)	(7,784)
Investment management fee payable****	3	(13,243,240)	(58,470)	(41,785)	(2,109,763)
Performance fee payable	3	–	–	(678,160)	–
Sundry creditors	3	(2,153,867)	(37,999)	(131,547)	(4,485,928)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(76,684,685)	(1,176,461)	(999,808)	(11,532,277)
Net assets attributable to holders of redeemable participating shares		9,078,397,146	116,148,125	72,619,592	2,138,223,444

* Smart Energy Fund launched on 30 September 2021.

** Smart Mobility Fund launched on 30 September 2021.

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

**** Due to the request of the Management Company for 2022 onwards, the line item Management company fee payable is excluded from the 2021 comparative figures.

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 GBP
49,015,285	23,411,300,300	1,219,739,666	27,537,578	7,341,000	–	1,568,275,932	22,142,481,748
25,852	187,441,853	3,015,040	–	–	–	–	60,203,241
213,000	41,318,415	342,936	6,754	3,946	–	3,092,484	13,697,619
–	–	–	74,391	55,793	–	1,176	11,587,182
12,750	2,991,991	2,712,426	2,727,359	16,513	–	639,295	46,725,269
83	81,735	6,796	22,356	9,640	149	2,689	302,598
9,817,635	106,030,217	29,548,576	471,527	263,160	96,447	42,256,929	713,810,676
97,949	–	–	–	–	–	–	15,173,525
59,182,554	23,749,164,511	1,255,365,440	30,839,965	7,690,052	96,596	1,614,268,505	23,003,981,858
(443,587)	(4,935,705)	(18,954)	–	–	–	–	(10,903,983)
–	(31,038,624)	(1,897,676)	(84,578)	–	(8,512)	(40,340)	(127,492,952)
(84,508)	(2,370,088)	(1,053,235)	(1,394)	–	–	(4,304,983)	(82,505,650)
(401,435)	(6,504,700)	–	(3,069,677)	(307,656)	–	(480,082)	(15,331,765)
(135)	(128,665)	(684)	(348)	(62)	(5)	(42)	(123,271)
(92,919)	(24,273,156)	(807,674)	(16,645)	(4,675)	–	(900,930)	(24,804,651)
(95,588)	–	–	–	–	–	–	(10,682,740)
(11,683)	(11,460,115)	(153,176)	(14,652)	(1,789)	(88,079)	(284,338)	(15,447,133)
(1,129,855)	(80,711,053)	(3,931,399)	(3,187,294)	(314,182)	(96,596)	(6,010,716)	(287,292,145)
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

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$
Investment income					
Investment income	2H	7	1,601,727	6,291,698	3,029,920
Net realised and unrealised loss on investments	2D	(11)	(46,487,893)	(249,053,220)	(131,593,525)
Income equalisation	2E	–	67,832	(752,191)	–
Net investment (expense)/income		(4)	(44,818,334)	(243,513,713)	(128,563,605)
Expenses					
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	(583)	(81,960)	(134,591)	(434,813)
Performance fees	3	–	–	–	(5,818,093)
Depositary'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)
Operating expenses		4	(769,094)	(3,491,862)	(25,571,568)
Net (expense)/income from operations before finance costs		–	(45,587,428)	(247,005,575)	(154,135,173)
Finance costs					
Bank interest/financing charges	2H	–	(29)	(111)	(2,586)
Distributions to holders of redeemable participating shares	13	–	–	–	–
Total finance costs		–	(29)	(111)	(2,586)
Loss for the year before tax		–	(45,587,457)	(247,005,686)	(154,137,759)
Withholding tax		–	(245,825)	(1,172,980)	(205,608)
Change in net assets attributable to holders of redeemable participating shares		–	(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 Markets 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

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$
Investment income					
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	–	–
Net investment (expense)/income		(3,187,170,832)	(9,493)	(14,109,358)	(170,404,200)
Expenses					
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)	–
Depositary'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)
Operating expenses		(73,188,870)	(1,032,992)	(778,414)	(20,726,796)
Net (expense)/income from operations before finance costs		(3,260,359,702)	(1,042,485)	(14,887,772)	(191,130,996)
Finance costs					
Bank interest/financing charges	2H	(1,315)	–	(3)	(282,121)
Distributions to holders of redeemable participating shares	13	–	(639,215)	–	–
Total finance costs		(1,315)	(639,215)	(3)	(282,121)
Loss for the year before tax		(3,260,361,017)	(1,681,700)	(14,887,775)	(191,413,117)
Withholding tax		(6,459,016)	(305,039)	(10,774)	(1,219,328)
Change in net assets attributable to holders of redeemable participating shares		(3,266,820,033)	(1,986,739)	(14,898,549)	(192,632,445)

* 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	5	42,292,149	237,086,708
2,139,752	3,315,966,199	(233,108,766)	(10,399,051)	(2,350,043)	(43,709)	(307,822,973)	(4,526,236,628)
(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)	(43,704)	(270,729,104)	(4,301,734,839)
(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)	(4,219,573)
(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)

Comparative Statement of Comprehensive Income

For the financial year ended 31 December 2021

As at 31 December 2021

	Notes	Asian Opportunities Fund* US$	Asian Stars Fund US$	Automation & Artificial Intelligence Fund US$	Biotechnology Fund US$
Investment income					
Investment income	2H	8,387	1,143,496	6,178,847	815,821
Net realised and unrealised gain/(loss) on investments	2D	669,604	(1,460,143)	117,311,204	77,930,909
Income equalisation	2E	–	27,640	(201,328)	–
Net investment income/(expense)		677,991	(289,007)	123,288,723	78,746,730
Expenses					
Investment management fees***	3	(11,751)	(436,149)	(3,792,408)	(18,380,899)
Administration fees	3	(466)	(39,216)	(270,553)	(549,759)
General expenses	3	(10,556)	(104,949)	(165,296)	(317,061)
Performance fees	3	(50,573)	(992,104)	–	(7,476,885)
Depositary's fees	3	(909)	(59,537)	(178,739)	(254,812)
Research fees		–	(5,647)	(132,640)	(390,415)
Legal fees		(13,288)	(5,636)	(32,266)	(69,761)
Directors' fees	8	(363)	(4,967)	(34,478)	(68,565)
Auditor's fees		12	(1,503)	(6,950)	(16,499)
Operating expenses		(87,894)	(1,649,708)	(4,613,330)	(27,524,656)
Net income/(expense) from operations before finance costs		590,097	(1,938,715)	118,675,393	51,222,074
Finance costs					
Bank interest/financing charges	2H	(4)	(1,864)	(194,259)	(26,111)
Distributions to holders of redeemable participating shares	13	–	–	–	–
Total finance costs		(4)	(1,864)	(194,259)	(26,111)
Profit/(loss) for the year before tax		590,093	(1,940,579)	118,481,134	51,195,963
Withholding tax		(1,793)	(174,323)	(1,194,362)	(110,250)
Change in net assets attributable to holders of redeemable participating shares		588,300	(2,114,902)	117,286,772	51,085,713

* Asian Opportunities Fund terminated on 1 March 2021.

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

*** Due to the request of the Management Company for 2022 onwards, the line item Management company fees is excluded from the 2021 comparative figures.

China Stars Fund US$	Emerging Markets Income Fund** US$	Emerging Markets 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
201,167	1,059,447	6,582,210	7,868,489	415,229	1,449,933	44,744,020	29,077,081
(2,757,930)	6,902,274	(38,335,045)	23,303,166	2,114,623	1,118,434	(116,506,823)	245,735,386
58,924	(1,079,820)	78,741	(965,317)	98,959	161,542	3,523,299	(2,098,029)
(2,497,839)	6,881,901	(31,674,094)	30,206,338	2,628,811	2,729,909	(68,239,504)	272,714,438
(74,433)	(214,085)	(5,195,726)	(1,574,347)	(154,594)	(407,662)	(8,788,205)	(13,272,603)
(5,586)	(11,273)	(280,249)	(57,482)	(6,106)	(18,590)	(384,916)	(615,382)
(71,075)	(57,519)	(291,760)	(47,262)	(55,555)	(30,926)	(1,293,766)	(294,474)
–	–	(1,023,961)	–	–	(382,160)	–	–
(4,869)	(35,929)	(388,697)	(36,518)	(4,289)	(8,758)	(169,230)	(288,769)
(1,286)	(18,830)	(33,860)	–	(1,134)	(10,342)	(228,161)	(107,628)
(677)	(29,695)	(41,262)	(6,150)	(818)	(2,097)	(45,591)	(73,040)
(708)	(1,792)	(35,056)	(7,370)	(728)	(3,030)	(49,072)	(76,814)
(149)	(546)	(11,786)	(974)	(197)	(475)	(9,633)	(14,902)
(158,783)	(369,669)	(7,302,357)	(1,730,103)	(223,421)	(864,040)	(10,968,574)	(14,743,612)
(2,656,622)	6,512,232	(38,976,451)	28,476,235	2,405,390	1,865,869	(79,208,078)	257,970,826
(2,148)	(2)	(6,471)	(12,365)	(1,107)	(75,231)	(528)	(96,010)
–	(2,012,462)	–	(5,627,689)	(187,304)	–	(34,011,104)	(11,359,000)
(2,148)	(2,012,464)	(6,471)	(5,640,054)	(188,411)	(75,231)	(34,011,632)	(11,455,010)
(2,658,770)	4,499,768	(38,982,922)	22,836,181	2,216,979	1,790,638	(113,219,710)	246,515,816
(13,670)	(196,109)	(1,085,592)	(834,422)	(75,538)	(3,127)	(206,109)	(4,226,581)
(2,672,440)	4,303,659	(40,068,514)	22,001,759	2,141,441	1,787,511	(113,425,819)	242,289,235

Comparative Statement of Comprehensive Income continued

For the financial year ended 31 December 2021

As at 31 December 2021

	Notes	Global Technology Fund US$	Healthcare Blue Chip Fund US$	Healthcare Discovery Fund US$	Healthcare Opportunities Fund US$
Investment income					
Investment income	2H	45,816,041	1,033,251	141,646	10,235,725
Net realised and unrealised gain/(loss) on investments	2D	852,947,428	20,920,667	2,399,074	196,476,252
Income equalisation	2E	–	21,016	–	–
Net investment income/(expense)		898,763,469	21,974,934	2,540,720	206,711,977
Expenses					
Investment management fees	3	(108,980,103)	(605,468)	(456,485)	(22,469,683)
Administration fees	3	(3,331,496)	(37,137)	(23,409)	(761,442)
General expenses	3	(1,559,898)	(49,319)	(42,170)	(379,029)
Performance fees	3	–	–	(678,160)	–
Depositary's fees	3	(2,008,346)	(18,209)	(12,798)	(424,241)
Research fees		(1,605,059)	(25,127)	(11,152)	(512,991)
Legal fees		(403,996)	(4,534)	(3,050)	(89,787)
Directors' fees	8	(423,805)	(4,707)	(2,978)	(97,824)
Auditor's fees		(88,756)	(993)	(711)	(17,902)
Operating expenses		(118,401,459)	(745,494)	(1,230,913)	(24,752,899)
Net income/(expense) from operations before finance costs		780,362,010	21,229,440	1,309,807	181,959,078
Finance costs					
Bank interest/financing charges	2H	(56,128)	(5,082)	(537)	(282,985)
Distributions to holders of redeemable participating shares	13	–	(465,527)	–	–
Total finance costs		(56,128)	(470,609)	(537)	(282,985)
Profit/(loss) for the year before tax		780,305,882	20,758,831	1,309,270	181,676,093
Withholding tax		(9,323,213)	(203,363)	(19,195)	(1,493,638)
Change in net assets attributable to holders of redeemable participating shares		770,982,669	20,555,468	1,290,075	180,182,455

* Smart Energy Fund launched on 30 September 2021.

** Smart Mobility Fund launched on 30 September 2021.

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

**** Due to the request of the Management Company for 2022 onwards, the line item Management company fees is excluded from the 2021 comparative figures.

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$
2,999,747	558,437,951	7,906,250	17,242	7,944	–	39,974,138	241,269,388
9,424,653	3,245,942,241	240,381,092	(27,321)	202,733	427	238,804,892	2,096,945,477
(536,356)	29,975,676	1,286	–	–	–	(200,135)	(2,077,691)
11,888,044	3,834,355,868	248,288,628	(10,079)	210,677	427	278,578,895	2,336,137,174
(595,987)	(178,651,052)	(7,908,691)	(32,545)	(12,294)	–	(8,774,340)	(212,559,903)
(21,259)	(8,036,420)	(427,564)	(1,332)	(532)	–	(534,191)	(7,901,488)
(27,615)	(6,118,776)	(236,439)	(6,295)	(3,490)	(330)	(274,720)	(5,608,218)
(22,595)	–	–	–	–	–	(3,195,129)	(15,030,176)
(10,342)	(4,966,481)	(203,052)	(522)	(210)	–	(177,941)	(4,517,855)
(2,444)	(3,681,733)	–	(648)	(294)	–	(116,384)	(3,322,660)
(2,327)	(999,011)	(52,463)	(227)	(79)	–	(67,143)	(1,007,647)
(2,680)	(1,010,679)	(53,679)	(185)	(63)	–	(66,651)	(1,000,970)
(355)	(225,013)	(11,243)	(153)	(52)	–	(15,955)	(213,675)
(685,604)	(203,689,165)	(8,893,131)	(41,907)	(17,014)	(330)	(13,222,454)	(251,162,592)
11,202,440	3,630,666,703	239,395,497	(51,986)	193,663	97	265,356,441	2,084,974,582
(4,118)	(2,072,070)	(8,614)	(503)	(96)	(97)	(700)	(834,018)
(1,037,712)	–	–	–	–	–	(4,455,214)	(66,515,716)
(1,041,830)	(2,072,070)	(8,614)	(503)	(96)	(97)	(4,455,914)	(67,349,734)
10,160,610	3,628,594,633	239,386,883	(52,489)	193,567	–	260,900,527	2,017,624,848
(101,430)	(83,762,652)	(1,929,035)	(3,223)	(1,911)	–	(303,060)	(24,155,628)
10,059,180	3,544,831,981	237,457,848	(55,712)	191,656	–	260,597,467	1,993,469,220

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$
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		–	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)
Net assets attributable to holders of redeemable participating shares at the end of the financial year		–	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$
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		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)
Net assets attributable to holders of redeemable participating shares at the end of the financial year		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 Markets 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
–	–	–	–	–	–	–	(551,924,159)
(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	15,648,322,838

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

For the financial year ended 31 December 2020

As at 31 December 2021

	Notes	Asian Opportunities Fund* US$	Asian Stars Fund US$	Automation & Artificial Intelligence Fund US$	Biotechnology Fund US$
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		8,372,363	17,447,595	753,361,100	1,256,438,007
Issue of redeemable shares during the financial year	9	72,598	196,789,104	124,475,620	851,579,878
Fx gain on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(9,033,261)	(42,079,661)	(226,294,185)	(445,199,499)
Change in net assets attributable to holders of redeemable participating shares		588,300	(2,114,902)	117,286,772	51,085,713
Net assets attributable to holders of redeemable participating shares at the end of the financial year		–	170,042,137	768,829,307	1,713,904,099

	Notes	Global Technology Fund US$	Healthcare Blue Chip Fund US$	Healthcare Discovery Fund US$	Healthcare Opportunities Fund US$
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		8,655,795,829	92,030,247	48,456,796	2,124,581,345
Issue of redeemable shares during the financial year	9	2,932,766,804	21,571,885	28,843,889	485,125,747
Fx gain on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(3,281,148,156)	(18,009,475)	(5,971,168)	(651,666,103)
Change in net assets attributable to holders of redeemable participating shares		770,982,669	20,555,468	1,290,075	180,182,455
Net assets attributable to holders of redeemable participating shares at the end of the financial year		9,078,397,146	116,148,125	72,619,592	2,138,223,444

* Asian Opportunities Fund terminated on 01 March 2021.

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

*** Smart Energy Fund launched on 30 September 2021.

**** Smart Mobility Fund launched on 30 September 2021.

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

The accompanying notes form an integral part of these Financial Statements.

China Stars Fund US$	Emerging Markets Income Fund** US$	Emerging Markets 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
13,974,480	104,412,469	370,603,749	190,978,232	10,805,493	47,066,341	1,047,829,601	1,587,832,431
12,041,071	3,676,063	1,081,577,517	23,512,624	21,924,862	41,585,735	361,783,823	464,751,344
–	–	–	–	–	–	–	–
(3,363,782)	(112,392,191)	(123,759,337)	(117,353,112)	(11,375,034)	(20,114,203)	(229,283,199)	(593,040,286)
(2,672,440)	4,303,659	(40,068,514)	22,001,759	2,141,441	1,787,511	(113,425,819)	242,289,235
19,979,329	–	1,288,353,415	119,139,503	23,496,762	70,325,384	1,066,904,406	1,701,832,724

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$
59,679,614	17,953,295,439	1,055,161,717	–	–	–	1,148,193,906	19,835,492,695
3,417,299	7,741,047,267	318,303,304	28,201,501	7,184,214	–	692,866,173	8,213,010,151
–	–	–	–	–	–	–	(80,709,370)
(15,103,394)	(5,570,721,229)	(359,488,828)	(493,118)	–	–	(493,399,757)	(7,244,572,983)
10,059,180	3,544,831,981	237,457,848	(55,712)	191,656	–	260,597,467	1,993,469,220
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

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$
Cash flows from operating activities				
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
(Outflow)/inflow from forward foreign currency contracts and futures	(11)	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)
Net cash inflow/(outflow) from operating activities	(592)	(10,478,902)	144,826,603	13,307,889
Cash flows from financing activities				
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)
Net cash inflow/(outflow) from financing activities	–	13,301,804	(154,609,678)	29,909,231
Net (decrease)/increase in cash	(592)	2,822,902	(9,783,075)	43,217,120
Foreign exchange adjustment on aggregation	–	–	–	–
Cash at beginning of the financial year	14,913	2,707,513	17,264,656	10,138,766
Cash at end of the financial year	14,321	5,530,415	7,481,581	53,355,886
Supplementary cash flow information				
Cash flows from operating activities include:				
Cash received during the financial year for dividend income	–	1,670,431	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	1,690,708	6,338,434	2,876,596

* Asian Opportunities Fund terminated on 01 March 2021.

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

China Stars Fund US$	Emerging Markets Income ** Fund US$	Emerging Markets Star 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)	(1,828,332285)	(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

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$
Cash flows from operating activities				
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)
Net cash inflow/(outflow) from operating activities	1,531,629,386	(90,650,285)	15,354,047	178,147,244
Cash flows from financing activities				
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)
Net cash (outflow)/inflow from financing activities	(1,752,922,172)	94,050,782	(18,586,755)	(245,017,189)
Net (decrease)/increase in cash	(221,292,786)	3,400,497	(3,232,708)	(66,869,945)
Foreign exchange adjustment on aggregation	–	–	–	–
Cash at beginning of the financial year	405,019,610	4,560,436	4,037,118	67,611,320
Cash at end of the financial year	183,726,824	7,960,933	804,410	741,375
Supplementary cash flow information				
Cash flows from operating activities include:				
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	(43,709)	53,921	(312,546,101)
(643,950)	–	–	–	–	–	–	(24,046,185)
2,749,481	737,736,384	7,999,122	514,165	73,890	(47)	42,781,692	210,678,225
(871,306)	(342,710,464)	(9,569,322)	(811,821)	(141,586)	(44,179)	(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

Comparative Statement of Cash Flows

For the financial year ended 31 December 2020

As at 31 December 2021

	Asian Opportunities Fund* US$	Asian Stars Fund US$	Automation & Artificial Intelligence Fund US$	Biotechnology Fund US$
Cash flows from operating activities				
Purchase of financial assets	(56,395)	(210,468,260)	(343,927,031)	(1,489,781,314)
Proceeds from sale of financial assets	8,745,483	59,317,167	435,181,694	1,021,032,334
Inflow/(outflow) from forward foreign currency contracts and futures	17,270	(1,118,940)	1,965,928	(7,526,362)
Decrease/(increase) in margin accounts	–	–	–	–
Dividends and interest received	14,681	943,957	5,962,296	790,197
Operating expenses paid	(173,277)	(109,636)	(13,056,103)	(29,947,798)
Net cash inflow/(outflow) from operating activities	8,547,762	(151,435,712)	86,126,784	(505,432,943)
Cash flows from financing activities				
Distributions	–	–	–	–
Income equalisation	–	27,640	(201,328)	–
Proceeds from redeemable participating shares	72,598	195,634,836	125,011,860	857,258,096
Redemptions of redeemable participating shares	(9,035,743)	(41,961,572)	(225,144,291)	(441,747,312)
Net cash (outflow)/inflow from financing activities	(8,963,145)	154,819,827	(100,333,759)	415,510,784
Net (decrease)/increase in cash	(415,383)	2,384,115	(14,206,975)	(89,922,159)
Foreign exchange adjustment on aggregation	–	–	–	–
Cash at beginning of the financial year	430,296	323,398	31,471,631	100,060,925
Cash at end of the financial year	14,913	2,707,513	17,264,656	10,138,766
Supplementary cash flow information				
Cash flows from operating activities include:				
Cash received during the financial year for dividend income	14,686	945,770	6,157,754	815,738
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	–	–	7,839	83
Cash paid during the financial year for interest expense	(5)	(1,813)	(203,297)	(25,624)
	14,681	943,957	5,962,296	790,197

* Asian Opportunities Fund terminated on 01 March 2021.

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

China Stars Fund US$	Emerging Markets Income Fund** US$	Emerging Markets Star 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
(19,504,775)	(20,861,087)	(1,223,068,530)	(22,503,801)	(27,462,184)	(373,439,294)	(4,128,456,009)	(106,897,932)
10,878,989	130,994,162	283,187,097	113,325,468	17,972,220	352,982,824	4,061,237,609	193,389,063
14,805	(78,552)	(4,541,564)	2,190,857	1,866	(5,484,011)	(58,416,674)	(1,424,797)
9	–	–	–	–	(711,785)	–	–
197,593	1,697,973	5,338,831	7,856,374	403,800	1,337,551	45,648,253	29,014,197
(257,568)	(590,010)	(6,071,989)	(2,657,787)	(292,048)	(2,009,629)	(11,146,039)	(18,886,469)
(8,670,947)	111,162,486	(945,156,155)	98,211,111	(9,376,346)	(27,324,344)	(91,132,860)	95,194,062
–	(2,012,462)	–	(5,627,689)	(187,304)	–	(34,011,104)	(11,359,000)
58,924	(1,079,820)	78,741	(965,317)	98,959	161,542	3,523,299	(2,098,029)
12,072,946	3,711,772	1,081,914,332	23,512,624	21,897,548	41,585,735	362,361,951	466,114,720
(3,398,582)	(113,082,426)	(122,932,893)	(117,353,112)	(11,368,643)	(20,114,203)	(228,984,762)	(591,486,723)
8,733,288	(112,462,936)	959,060,180	(100,433,494)	10,440,560	21,633,074	102,889,384	(138,829,032)
62,341	(1,300,450)	13,904,025	(2,222,383)	1,064,214	(5,691,270)	(124,239,224)	(43,634,970)
–	–	–	–	–	–	–	–
924,488	1,426,888	11,697,452	(254,206)	383,063	214,045	(64,087,192)	49,422,268
986,829	126,438	25,601,477	(2,476,589)	1,447,277	(5,477,225)	(52,292,724)	5,787,298
199,727	1,697,812	5,344,271	7,868,335	404,794	1,178,423	37,144,413	29,108,356
–	–	–	–	–	238,983	6,671,125	–
2	164	1,003	154	1	–	1,833,243	–
(2,136)	(3)	(6,443)	(12,115)	(995)	(79,855)	(528)	(94,159)
197,593	1,697,973	5,338,831	7,856,374	403,800	1,337,551	45,648,253	29,014,197

Comparative Statement of Cash Flows continued

For the financial year ended 31 December 2020

As at 31 December 2021

	Global Technology Fund US$	Healthcare Blue Chip Fund US$	Healthcare Discovery Fund US$	Healthcare Opportunities Fund US$
Cash flows from operating activities				
Purchase of financial assets	(10,913,464,357)	(157,295,808)	(66,811,344)	(1,680,908,650)
Proceeds from sale of financial assets	11,020,930,683	153,849,098	45,250,023	1,925,258,930
Inflow/(outflow) from forward foreign currency contracts and futures	(60,572,758)	(48,737)	(147,485)	(5,332,971)
Decrease/(increase) in margin accounts	(4,403,480)	–	–	20,502,128
Dividends and interest received	45,444,393	1,074,004	140,701	10,002,286
Operating expenses paid	(156,285,849)	(938,850)	(670,642)	(23,440,412)
Net cash inflow/(outflow) from operating activities	(68,351,368)	(3,360,293)	(22,238,747)	246,081,311
Cash flows from financing activities				
Distributions	–	(465,527)	–	–
Income equalisation	–	21,016	–	–
Proceeds from redeemable participating shares	2,945,579,068	21,335,181	28,764,438	476,870,055
Redemptions of redeemable participating shares	(3,256,746,782)	(17,542,949)	(5,827,197)	(657,281,781)
Net cash (outflow)/inflow from financing activities	(311,020,051)	3,347,721	22,937,241	(180,411,726)
Net (decrease)/increase in cash	(379,371,419)	(12,572)	698,494	65,669,585
Foreign exchange adjustment on aggregation	–	–	–	–
Cash at beginning of the financial year	784,391,029	4,573,008	3,338,624	1,941,735
Cash at end of the financial year	405,019,610	4,560,436	4,037,118	67,605,464
Supplementary cash flow information				
Cash flows from operating activities include:				
Cash received during the financial year for dividend income	45,499,505	1,080,911	141,332	10,283,149
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	2,481	–	–	–
Cash paid during the financial year for interest expense	(57,593)	(6,907)	(631)	(280,863)
	45,444,393	1,074,004	140,701	10,002,286

* Smart Energy Fund launched on 30 September 2021.

** Smart Mobility Fund launched on 30 September 2021.

*** 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$
(17,618,520)	(15,712,558,217)	(452,803,033)	(34,398,582)	(9,333,364)	–	(904,250,552)	(22,736,838,521)
38,967,293	12,361,844,691	508,320,394	9,818,753	2,444,901	–	695,886,311	21,254,113,444
(365,130)	695,010,069	(9,073,266)	10,216	2,059	427	50,713	(143,666,398)
(26,323)	–	–	–	–	–	17,668	15,376,269
2,995,875	557,212,369	8,017,677	10,333	3,964	(92)	39,058,587	239,259,727
(1,207,672)	(285,363,462)	(10,652,208)	(36,189)	(22,101)	(1,376)	(15,466,187)	(310,052,078)
22,745,523	(2,383,854,550)	43,809,564	(24,595,469)	(6,904,541)	(1,041)	(184,703,458)	(1,681,807,650)
(1,037,712)	–	–	–	–	–	(4,455,214)	(66,515,715)
(536,356)	29,975,676	1,286	–	–	–	(200,135)	(2,077,691)
3,406,749	7,755,167,679	318,446,475	25,474,142	7,167,701	–	693,904,390	8,225,411,334
(15,378,353)	(5,582,228,935)	(359,948,682)	(491,724)	–	–	(489,643,808)	(7,214,536,181)
(13,545,672)	2,202,914,420	(41,500,921)	24,982,418	7,167,701	–	199,605,233	942,281,747
9,199,851	(180,940,130)	2,308,643	386,949	263,160	(1,041)	14,901,775	(739,525,813)
–	–	–	–	–	–	–	315,382,092
617,784	255,931,723	25,342,257	–	–	88,976	27,314,814	1,010,461,445
9,817,635	74,991,593	27,650,900	386,949	263,160	87,935	42,216,589	586,317,724
1,946,133	559,288,590	8,026,218	10,488	3,998	–	39,059,280	229,898,050
894,204	–	–	–	–	–	–	8,143,793
159,659	20,271	–	–	–	–	5	2,063,145
(4,121)	(2,096,492)	(8,541)	(155)	(34)	(92)	(699)	(845,261)
2,995,875	557,212,369	8,017,677	10,333	3,964	(92)	39,058,586	239,259,727

Notes to the Financial Statements

For the financial year ended 31 December 2022

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 listed on Euronext Dublin (formerly The Irish Stock Exchange). At 31 December 2022, the Company had twenty 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 currently authorised:

	Date of first issue of share class	Investment management fee	Performance fee
Asian Opportunities Fund*	30/03/2012	Up to 1.00%	10%
Asian Stars Fund	31/12/2018	Up to 1.25%	10%
Automation & Artificial Intelligence Fund	06/10/2017	Up to 1.30%	10%
Biotechnology Fund	31/10/2013	Up to 1.50%	10%
China Stars Fund	31/08/2018	Up to 1.25%	10%
Emerging Market Stars Fund	29/06/2018	Up to 1.25%	10%
European (ex UK) Income Fund	01/07/2015	Up to 1.50%	–
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 0.85%	10%
Healthcare Discovery Fund	31/01/2020	Up to 1.00%	10%
Healthcare Opportunities Fund	03/12/2007	Up to 1.50%	10%
Income Opportunities Fund	30/03/2012	Up to 1.25%	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 0.75%	10%

* Asian Opportunities Fund terminated on 1 March 2021.

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
Asia Stars Fund	The investment objective of Asia 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.
Automation & Artificial Intelligence Fund	The investment objective for Automations & 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 inwhich 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.
Biotechnology Fund	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 will seek to outperform the NASDAQ Biotechnology Index. The Fund promotes environmental and social characteristics under Article 8 of the SFDR.
China Stars Fund	The investment objective of 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.
Emerging Markets Stars Fund	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.
European (ex UK) Income Fund	The investment objective of 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.
Financial Opportunities Fund	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.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

1. Organisation and nature of business continued

Fund Name	Investment Objective
Global Absolute Return Fund	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.
Global Convertible Fund	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.
Global Insurance Fund	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.
Global Technology Fund	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.
Healthcare Blue Chip Fund	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.
Healthcare Discovery Fund	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.
Healthcare Opportunities Fund	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.
Income Opportunities Fund	The investment objective of the Income Opportunities Fund is to provide an attractive level of income together with capital growth. In order to achieve its objective the Fund will invest primarily in the equity, debt and other securities of listed financial companies. The debt securities in which the Fund will invest will be fixed and floating rate and include, but are not limited to, preference shares, convertible bonds, debentures and bonds with the restriction that unrated debt securities will not be greater than 25% of the Net Asset Value of the Fund. The other securities in which the Fund may invest will be securities with equity characteristics, including but not limited to preferred stocks, as well as depository receipts (including global depositary receipts traded) for such securities.

Fund Name	Investment Objective
Japan Value Fund	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.
North American Fund	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.
Smart Energy Fund	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. The Fund has sustainable investment as its objective under Article 9 of the SFDR.
Smart Mobility Fund	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. The Fund has sustainable investment as its objective under Article 9 of the SFDR.
UK Value Opportunities Fund	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. Principal Accounting Policies

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.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

2. Principal Accounting Policies continued

A. Basis of Preparation continued

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 2022 and 31 December 2021, the Sub-Funds do not hold any financial instruments with significant unobservable inputs.

These financial statements are prepared on a going concern basis with the exception of UK Absolute Equity Fund (terminated 15 May 2020), Asian Opportunities Fund (terminated 1 March 2021) and Emerging Markets Income Fund (terminated 8 June 2021).

The financial information for these Funds has been prepared on a non-going concern basis of accounting where all assets are stated at their estimated recoverable amounts. As the assets of the Funds were already carried at amounts which approximate their recoverable amounts the re-measurement has not resulted in any adjustments to their value.

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.

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 Income Opportunities Fund and 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 2022 as disclosed in the Statement of Financial Position and Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares does not reflect any swing pricing or duties and charges adjustment. The net asset value per share at 31 December 2022 used for dealing purposes, which is shown in Note 9 and Note 12, includes any swing price adjustments.

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:

Income Opportunities Fund	Dealing NAV per share	Swing Pricing Adjustment	Financial Statements NAV per share
Class A1 Sterling Distribution	£1.47	£0.00	£1.47
Class A2 Sterling Accumulation	£2.83	£0.00	£2.83
Class B1 Sterling Distribution	£1.57	£0.00	£1.57
Class B2 Sterling Accumulation	£2.98	£0.00	£2.98
Class I Euro Accumulation	€3.36	€0.00	€3.36
Class I Euro Distribution	€1.77	€0.00	€1.77
Class I Euro Hedged Accumulation	€16.77	€0.02	€16.75
Class I Euro Hedged Distribution	€12.35	€0.02	€12.33
Class I US Dollar Accumulation	$3.58	$0.00	$3.58
Class I US Dollar Distribution	$1.89	$0.00	$1.89
Class R Euro Accumulation	€3.18	€0.00	€3.18
Class R Euro Distribution	€1.66	€0.00	€1.66
Class R Euro Hedged Accumulation	€16.22	€0.02	€16.20
Class R Euro Hedged Distribution	€11.99	€0.01	€11.98
Class R US Dollar Accumulation	$3.40	$0.00	$3.40
Class R US Dollar Distribution	$1.77	$0.00	$1.77
Class R US Dollar Hedged Accumulation	$14.56	$0.02	$14.54
Class R US Dollar Hedged Distribution	$11.35	$0.01	$11.34

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

2. Principal Accounting Policies continued

B. Swing pricing/dilution levy continued

UK Value Opportunities Fund	Dealing NAV per share	Swing Pricing Adjustment	Financial Statements NAV per share
Class I Sterling Accumulation	£11.99	£0.06	£11.93
Class I Sterling Distribution	£11.16	£0.05	£11.11
Class R Sterling Accumulation	£9.97	£0.04	£9.93
Class S Sterling Accumulation	£12.07	£0.05	£12.02
Class S Sterling Distribution	£11.18	£0.04	£11.14
Class Z Sterling Accumulation	£10.97	£0.05	£10.92

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$551,924,156 (31 December 2021: US$80,709,370) included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the foreign currency translation adjustment of US$142,186,149 (31 December 2021: US$315,382,092) included in the Statement of Cash Flows is due to the movement in exchange rates between 1 January 2022 and 31 December 2022 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

Financial Liabilities	
Financial derivative instruments	FVPTL
Other liabilities	Amortised cost
Net assets attributable to unitholders	Amortised cost

(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).

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

2. Principal Accounting Policies continued

D. Investments at fair value continued

Investment funds

Open-ended Investment funds are included in the accounts at the last reported NAV at close of business on the last dealing day of the reporting period. The changes in the daily net asset value of these Units 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 open FFCC is calculated as the difference between the contract rate and this 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, 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. 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.

The above however differs for both Global Absolute Return Fund and the Global Technology Fund. The reclassification of option premiums is a bespoke and manual process. Option premiums on all written options are manually reclassified from capital to income.

Warrants

Warrants are sometimes used to gain exposure to emerging market equities where custody, liquidity, or other issues make ownership of local shares 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 usually quarterly payment depending on the contractual arrangement to the counterparty, the protection seller, in exchange for the right to receive a contingent payment. The maximum amount of payment may equal the notional amount, at par, of the underlying index or security as a result of a related credit event.

Payments are made upon a credit default event of the disclosed primary referenced obligation or all other equally ranked obligations of the reference entity. An upfront payment received by the Funds, as the protection seller, is recorded as a liability. An upfront payment made by the Funds, as a protection buyer, is recorded as an asset. 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 by a third party vendor 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, the Funds may be unable to close out their 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. Unrealised gains/(losses) are disclosed in the Statement of Financial Position.

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 or due to Credit Suisse Securities (Europe) Limited ('Credit Suisse') and 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

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.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

2. Principal Accounting Policies continued

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 May of each financial year for all of the Funds except for the Distributing Share Classes of the European (ex UK) Income Fund, Global Convertible Fund and Financial Opportunities Fund for which dividends will be paid in July and January and for the Distributing Share Classes of the Global Insurance Fund and Income Opportunities 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 Manager, Polar Capital LLP ('the Investment Manager'), meets all other operating expenses incurred by it in connection with its 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.

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 is disclosed separately in the Statement of Comprehensive Income. US$23,418 (31 December 2021: US$178,646) was due to the Manager at 31 December 2022

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 is disclosed separately in the Statement of Comprehensive Income. US$23,418 (31 December 2021: US$178,646) was due to the Manager at 31 December 2022.

The Investment Managers are entitled to receive an investment management fee and 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$24,510,483 (31 December 2021: US$35,487,391) was due to the Investment Managers at 31 December 2022, which includes both investment management and performance fees.

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 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 Depositary is entitled to an annual fee from the Company accrued daily and paid monthly in arrears of 0.015% of the Company's Net Asset Value, 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 Depositary 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 Securities Services also acts as the Swiss Representative and Swiss Paying Agent and for the financial year ended 31 December 2022 was entitled to receive the following fees for this service:

(i) an annual fee of CHF 29,000;
(ii) additional hours for extraordinary expenditures 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:

	2022 EUR	2021 EUR
Statutory audit fee	146,300	187,211
Other assurance services	–	7,000
Tax advisory services	–	–
Other non audit services	–	–
	146,300	194,211

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 fx rates in the year. The fees are exclusive of VAT.

Amounts payable at the year-end to the Administrator, Depositary, Directors, Auditors and other general expenses are included in sundry creditors on the Statement of Financial Position.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

4. Bank Overdraft

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 2022	31 December 2021
Asian Opportunities Fund	US$ 1	US$ Nil
Automation and Artificial Intelligence	US$ 13,135	US$ 5,772,695
Biotechnology Fund	US$ 835,100	US$ 1,873,888
China Stars Fund	US$ 167,012	US$ Nil
Emerging Markets Income Fund	US$ Nil	US$ 26,670
European (ex UK) Income Fund	EUR€ 5,395,545	EUR€ 4,427,479
Global Absolute Return Fund	US$ 5,194,941	US$ 6,477,572
Global Convertible Fund	US$ 75,072,359	US$ 92,313,308
Global Insurance Fund	GBP£ 1,949,247	GBP£ 9,052,423
Global Technology Fund	US$ 1,386,966	US$ 1,414,870
Healthcare Discovery Fund	US$ 107,807	US$ Nil
Healthcare Opportunities Fund	US$ 44,688,191	US$ Nil
Income Opportunities Fund	GBP£ 29,370	GBP£ Nil
Japan Value Fund	JPY¥ 106,847,493	JPY¥ 31,038,624
North American Fund	US$ 1,964,338	US$ 1,897,676
Smart Energy Fund	US$ 287,753	US$ 84,578
Smart Mobility Fund	US$ 3,266	US$ Nil
UK Absolute Equity Fund	GBP£ Nil	GBP£ 8,512
UK Value Opportunities Fund	GBP£ 55,923	GBP£ 40,340

5. Soft Commissions and investment research

The Investment Managers have committed to the Company that it will bear the cost of all general written research consumed by its 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:

Asian Opportunities Fund
Asian Stars Fund
Automation & Artificial Intelligence Fund
Biotechnology Fund
China Stars Fund
Emerging Markets Stars Fund
Financial Opportunities Fund
Global Absolute Return Fund
Global Convertible Fund
Global Insurance Fund
Global Technology Fund
Healthcare Blue Chip Fund
Healthcare Discovery Fund
Healthcare Opportunities Fund
Income Opportunities Fund
Japan Value Fund
Smart Energy Fund
Smart Mobility Fund
UK Absolute Equity Fund
UK Value Opportunities Fund

The Investment Managers received no soft commissions during the year.

6. Exchange Rates

The exchange rates used at 31 December 2022 and 31 December 2021 were as follows:

Exchange Rate	31 December 2022 to US$	31 December 2021 to US$
Australian dollar	1.4746	1.3754
Brazilian real	5.2798	5.5700
Canadian dollar	1.3550	1.2632
Czech koruna	22.6320	21.8519
Danish krone	6.9679	6.5403
Egyptian pound	24.7550	15.7100
Euro	0.9370	0.8794
Hong Kong dollar	7.8050	7.7963
Hungary forint	375.2167	324.0987
Indian rupee	82.7300	74.3357
Indonesian rupiah	15,567.5000	14,252.5000
Japanese yen	131.9450	115.1550
Korean won	1,264.5000	1,188.7500
Malaysian ringgit	4.4050	4.1660
Mexican peso	19.4873	20.4650
Norwegian krone	9.8510	8.8183
Pakistani rupee	226.3750	176.5000
Philippine peso	55.7275	50.9925
Polish zloty	4.3863	4.0304
Qatari riyal	3.6418	3.6410
Romanian leu	4.6361	4.3517
Singapore dollar	1.3412	1.3482
South Africa rand	17.0150	15.9600
Sri Lanka rupee	367.4850	202.7850
Sterling	0.8313	0.7383
Swedish krona	10.4195	9.0539
Swiss franc	0.9252	0.9112
Taiwan dollar	30.7355	27.6670
Thai baht	34.6350	33.4050
Turkish lira	18.7195	13.2798
UAE dirham	3.6727	3.6731

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

6. Exchange Rates continued

Exchange Rate	31 December 2022 to EUR	31 December 2021 to EUR
Danish krone	7.4364	7.4376
Japanese yen	140.8184	130.9544
Norwegian krone	10.5135	10.0282
Sterling	0.8872	0.8396
Swedish krona	11.1202	10.2960
Swiss franc	0.9874	1.0362
United States dollar	1.0673	1.1372

Exchange Rate	31 December 2022 to GBP	31 December 2021 to GBP
Australian dollar	1.7738	1.8629
Brazilian real	6.3510	7.5443
Canadian dollar	1.6299	1.7109
Danish krone	8.3816	8.8584
Euro	1.1271	1.1910
Hong Kong dollar	9.3886	10.5597
Indian rupee	99.5160	100.6839
Indonesian rupiah	18,726.1525	19,304.3002
Japanese yen	158.7167	155.9717
Malaysian ringgit	5.2988	5.6426
Norwegian krone	11.8498	11.9439
Singapore dollar	1.6133	1.8260
South Africa rand	20.4674	21.6170
Swedish krona	12.5336	12.2630
Swiss franc	1.1129	1.2341
Thai baht	41.6625	45.2454
United States dollar	1.2029	1.3545

Exchange Rate	31 December 2022 to JPY	31 December 2021 to JPY
Euro	0.0071	0.0076
Sterling	0.0063	0.0064
Swiss franc	0.0070	0.0079
United States dollar	0.0076	0.0087

All exchange rates are official rates and come from quoted sources.

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 2022, the following Funds were subject to Indian and Brazilian capital gain taxes on sale of investments: Automation & Artificial Intelligence Fund, Asian Stars Fund, Emerging Markets Stars Fund, Healthcare Discovery Fund and Healthcare Opportunities Fund. Such charges are included in Net realised and unrealised gain/(loss) on investments in 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:

			Number of Holdings	
Director	**Fund**	**Share Class**	**31 December 2022**	**31 December 2021**
Charles Scott	Global Insurance Fund	Class R US Dollar Accumulation	69,977	69,977
	Income Opportunities Fund	Class B2 Sterling Accumulation	184,233	184,233
David Astor	Financial Opportunities Fund	Class I Sterling Distribution	4,685	4,685
	Income Opportunities Fund	Class B1 Sterling Distribution	9,531	9,531
	Japan Value Fund	Class S Hedged	1,125	1,125
Robert Bovet*	Biotechnology Fund	Class I US Dollar Distribution	8,000	8,000
Karen Nolan	Emerging Markets Stars Fund	Class I Euro Accumulation	3,817	3,817
	Automation & Artificial Intelligence Fund	Class I Euro Accumulation	2,729	2,729

* Robert Bovet resigned as a Director and Chairman of the Company on 31 December 2022. Robert Bovet's holdings are disclosed above as he was a Director during the financial year.

No other Director had any interest in the redeemable participating shares of the Company during the financial year.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

8. Related Party Transactions continued

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 2022 and 31 December 2021 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.

James Cayzer-Colvin was a Director of both the Company and the holding company of Polar Capital LLP up to his resignation as a Director of the Company on 11 October 2022.

Polar Capital LLP and Polar Capital (Switzerland) AG are the Investment Managers of Polar Capital Funds plc and Polar Capital Partners Limited is a controlling partner of Polar Capital LLP and the ultimate parent of Polar Capital (Switzerland) AG. As at 31 December 2022 and 31 December 2021, Polar Capital Partners Limited held shares in the Funds listed below:

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Asian Stars Fund		
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	6,522	127
Class S US Dollar Distribution	100	100
Automation & Artificial Intelligence Fund		
Class I Euro Accumulation	117	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	259	289,417
Class S US Dollar Accumulation	100	11,937
Class Z Sterling Accumulation	100	100
Biotechnology Fund		
Class I Sterling Distribution	–	740
Class I Sterling Hedged Distribution	100	3,125
Class I US Dollar Distribution	–	856
Class S Sterling Distribution	132	7,295

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
China Stars Fund		
Class I Euro Accumulation	116	116
Class I Sterling Accumulation	130	1,060
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	308
Class S Sterling Accumulation	130	1,736
Class S US Dollar Accumulation	841,581	842,941
Emerging Markets Stars Fund		
Class I Euro Accumulation	12	12
Class I Sterling Accumulation	13	13
Class I US Dollar Accumulation	10	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	116	116
Class S Sterling Accumulation	17,073	121,491
Class S US Dollar Accumulation	9	1,386
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
Class X US Dollar Accumulation	100	100
Class X Euro Accumulation	113	113
Class X Swedish Krona Accumulation	11	11
European (ex UK) Income Fund		
Class I Euro Accumulation	103	103
Class I Sterling Distribution	188	180
Class I Sterling Hedged Accumulation	100	100
Class I Sterling Hedged Distribution	134	128
Class S Sterling Accumulation	141	14,097
Class S Sterling Hedged Accumulation	100	100
Class S Sterling Hedged Distribution	134	128
Class X Sterling Accumulation	100	100
Class X Sterling Distribution	115	110

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

8. Related Party Transactions continued

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Financial Opportunities Fund		
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	13
Class S US Dollar Distribution	10	3,413
Global Absolute Return Fund		
Class I Hedged Euro Accumulation	10	10
Class I Hedged Sterling Accumulation	10	10
Class I US Dollar Accumulation	10	10
Class S Hedged Euro Accumulation	10	109
Class S Hedged Sterling Accumulation	80,000	139,032
Class S US Dollar Accumulation	10	63,952
Class I Hedged GBP Distribution*	10	–
Class I Hedged JPY Accumulation*	155	–
Class I Hedged JPY Distribution*	155	–
Class S Hedged GBP Distribution*	10	–
Class S Hedged JPY Accumulation*	155	–
Class S Hedged JPY Distribution*	155	–
Class I US Dollar Distribution*	10	–
Global Convertible Fund		
Class I Hedged Euro Accumulation	100	100
Class I Hedged Sterling Accumulation	–	494
Class I Hedged Swiss Franc Accumulation	50	50
Class Portfolio Currency Hedged Euro I Accumulation	20,500	20,500
Class Portfolio Currency Hedged Sterling I Distribution	1,266	1,210
Class Portfolio Currency Hedged Sterling S Distribution	113	108
Class R Euro Distribution	190	182
Class R Sterling Accumulation	155	155
Class R Sterling Distribution	223	213

* New Share Classes launched during the year.

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Global Convertible Fund continued		
Class R US Dollar Accumulation	100	100
Class R US Dollar Distribution	144	138
Class S Euro Accumulation	137	137
Class S Euro Distribution	193	185
Class S Hedged Sterling Accumulation	100	36,469
Class S Hedged Sterling Distribution	140	133
Class S Hedged Swiss Franc Accumulation	50	50
Class S US Dollar Accumulation	100	100
Class S US Dollar Distribution	141	135
Class I Hedged Euro Accumulation	100	100
Class Portfolio Currency Hedged Sterling Y Distribution*	101	–
Class SI Sterling Distribution*	101	–
Class Y Sterling Distribution*	101	–
Global Insurance Fund		
Class F Sterling Accumulation	–	2,455
Class I Euro Distribution	54	53
Class I Hedged Euro Accumulation	100	100
Class I Hedged US Dollar Accumulation	100	100
Class I Sterling Accumulation	–	348,630
Class R Euro Distribution	54	53
Class R US Dollar Distribution	37	37
Class I Hedged Euro Distribution*	100	–
Class I Hedged Sterling Distribution*	100	–
Class I Hedged Swiss Franc Accumulation*	100	–
Global Technology Fund		
Class I Euro Accumulation	11	11
Class I Euro Distribution	–	29
Class I Hedged Euro Distribution	100	100
Class I Hedged Sterling Distribution	100	1,127
Class I Hedged Swiss Franc Distribution	100	100
Class I Sterling Distribution	58	19,455
Class R Euro Accumulation	11	11
Class R Hedged Euro Accumulation	100	100
Class R Hedged Swiss Franc Distribution	100	100

* New Share Classes launched during the year.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

8. Related Party Transactions continued

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Healthcare Blue Chip Fund		
Class I Euro Accumulation	65	65
Class I Euro Distribution	69	69
Class I US Dollar Distribution	54	53
Class S Sterling Hedged Distribution	104	103
Class S US Dollar Accumulation	8	8
Class S US Dollar Distribution	54	53
Class SI Sterling Distribution	146	145
Class SI US Dollar Distribution	103	102
Class I EUR Hedged Accumulation*	100	–
Class R Euro Accumulation*	101	–
Class R US Dollar Accumulation*	100	–
Healthcare Discovery Fund		
Class I Sterling Accumulation	132	132
Class I US Dollar Accumulation	100	100
Class S Sterling Accumulation	135,254	213,913
Class S US Dollar Accumulation	100	1,071
Healthcare Opportunities Fund		
Class I Euro Accumulation	100	100
Class I Euro Hedged Accumulation	100	100
Class I Sterling Distribution	–	17,086
Class I US Dollar Distribution	–	172
Class I US Dollar Accumulation	23	576
Class R Euro Accumulation	26	26
Class R Sterling Distribution	–	2,640
Class R US Dollar Accumulation	24	24
Income Opportunities Fund		
Class B2 Sterling Accumulation	–	222,623
Class I Euro Accumulation	414	414
Class I Euro Distribution	779	746
Class I Euro Hedged Accumulation	100	100
Class I Euro Hedged Distribution	134	128
Class I US Dollar Accumulation	371	371
Class I US Dollar Distribution	700	669
Class R Euro Accumulation	424	424
Class R Euro Distribution	810	776

* New Share Classes launched during the year.

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Income Opportunities Fund continued		
Class R Euro Hedged Accumulation	100	100
Class R Euro Hedged Distribution	135	129
Class R US Dollar Accumulation	381	381
Class R US Dollar Distribution	728	696
Class R US Dollar Hedged Accumulation	100	100
Class R US Dollar Hedged Distribution	126	121
Japan Value Fund		
Class I Euro Distribution	1,038	1,038
Class I Hedged Euro Distribution	100	100
Class I Hedged Sterling Distribution	100	5,726
Class I Hedged Swiss Franc Distribution	100	100
Class I Hedged US Dollar Distribution	100	100
Class I Japanese Yen Distribution	1,415	1,415
Class I Sterling Distribution	1,168	1,168
Class I US Dollar Distribution	846	846
Class R Euro Distribution	509	509
Class R Hedged Sterling Distribution	1,288	1,288
Class R Hedged Swiss Franc Distribution	100	100
Class R Hedged US Dollar Distribution	38	38
Class R Japanese Yen Distribution	120	120
Class R Sterling Distribution	575	575
Class R US Dollar Distribution	80	80
Class S Euro Distribution	960	960
Class S Hedged Euro Distribution	4,668	4,668
Class S Hedged Swiss Franc Distribution	100	100
Class S Hedged US Dollar Distribution	3,021	3,021
Class S Japanese Yen Distribution	364	364
Class S Sterling Distribution	667	10,463
Class S US Dollar Distribution	825	825
North American Fund		
Class I Hedged Swiss Franc Distribution	100	100
Class I Sterling Distribution	–	413
Class R Hedged Euro Distribution	100	100
Class S Euro Distribution	14	14
Class S Hedged Euro Distribution	100	100
Class S Sterling Distribution	–	18,458
Class S US Dollar Distribution	–	1,039

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

8. Related Party Transactions continued

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Smart Energy Fund*		
Class I Euro Accumulation	116	116
Class I Sterling Accumulation	135	135
Class I Swedish Krona Accumulation	11	11
Class I Swiss Franc Accumulation	107	107
Class I US Dollar Accumulation	1,400,090	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
Smart Mobility Fund		
Class I Euro Accumulation	116	116
Class I GBP Accumulation	135	135
Class I Swedish Krona Accumulation	11	11
Class I Swiss Franc Accumulation	107	107
Class I US Dollar Accumulation	500,000	500,000
Class R Euro Accumulation	116	116
Class R GBP Accumulation	135	135
Class R Swedish Krona Accumulation	11	11
Class R Swiss Franc Accumulation	107	107
Class R US Dollar Accumulation	100	100
UK Value Opportunities Fund		
Class I Sterling Accumulation	100	100
Class I Sterling Distribution	107	106
Class R Sterling Accumulation	100	100
Class S Sterling Accumulation	100	110,745
Class S Sterling Distribution	108	106
Class Z Sterling Accumulation	100	100

Partners, manager, employees and associated persons of the Investment Manager 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 material.

Fund	Number of Shares 31 December 2022	Number of Shares 31 December 2021
Asian Stars Fund	25,856	26,313
Automation & Artificial Intelligence Fund	148,447	170,626
Biotechnology Fund	80,081	90,710
China Stars Fund	197,677	33,320
Emerging Markets Stars Fund	58,983	25,592
European (ex UK) Income Fund	57,465	85,606
Financial Opportunities Fund	7,923	3,918
Global Absolute Return Fund	17,738	16,941
Global Convertible Fund	94,777	74,188
Global Insurance Fund	202,035	286,800
Global Technology Fund	34,899	61,554
Healthcare Blue Chip Fund	3,135	15,212
Healthcare Discovery Fund	3,730	3,498
Healthcare Opportunities Fund	40,180	23,471
Income Opportunities Fund	366,135	309,295
Japan Value Fund	1,406,049	1,590,839
North American Fund	107,099	96,206
Smart Energy Fund	16,634	8,644
Smart Mobility Fund	4,606	144
UK Value Opportunities Fund	225,188	183,225

* Smart Mobility Fund launched on 30 September 2021.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

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 the Investment Manager and nominees of the Investment Manager. 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

	31 December 2022		31 December 2021	
Asian Stars Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	50,391	€12.93	50,391	€16.52
Class I Sterling Accumulation	202,567	£11.47	114,243	£13.87
Class I US Dollar Accumulation	241,532	$13.80	173,648	$18.79
Class R Euro Accumulation	4,179	€12.70	3,022	€16.30
Class R Sterling Accumulation	127	£11.26	127	£13.69
Class R US Dollar Accumulation	1,528	$13.55	1,083	$18.54
Class S Euro Accumulation	4,485,546	€13.12	5,270,402	€16.70
Class S Sterling Accumulation	1,552,230	£11.64	1,274,617	£14.02
Class S US Dollar Accumulation	3,261,202	$14.00	2,065,418	$18.99
Class S US Dollar Distribution	30,100	$7.08	100	$9.60

	31 December 2022		31 December 2021	
Automation & Artificial Intelligence Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	1,520,131	€12.97	1,453,941	€18.29
Class I Sterling Accumulation	6,489,889	£11.51	7,099,683	£15.35
Class I US Dollar Accumulation	3,057,973	$13.84	2,958,931	$20.80
Class R Euro Accumulation	1,145,672	€12.67	1,456,944	€17.95
Class R US Dollar Accumulation	1,558,588	$13.52	1,735,902	$20.41
Class S Euro Accumulation	57,975	€13.12	81,174	€18.45
Class S Sterling Accumulation	9,209,112	£11.64	11,816,416	£15.49
Class S US Dollar Accumulation	535,384	$14.00	837,449	$20.98
Class Z Sterling Accumulation	2,237,600	£15.10	7,280,100	£19.99

	31 December 2022		31 December 2021	
Biotechnology Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Distribution	4,657,487	€35.76	4,476,496	€36.15
Class I Sterling Distribution	6,194,276	£31.73	5,740,766	£30.35
Class I Sterling Hedged Distribution	2,689,119	£15.33	6,879,916	£16.79
Class I US Dollar Distribution	15,334,092	$38.17	11,839,209	$41.11
Class R Euro Distribution	4,636,414	€34.30	5,126,666	€34.80
Class R Sterling Distribution	242,514	£30.43	273,238	£29.22
Class R US Dollar Distribution	9,600,112	$36.61	10,791,636	$39.58
Class S Euro Distribution	14,364	€36.55	16,882	€36.82
Class S Sterling Distribution	76,773	£32.43	49,685	£30.91
Class S US Dollar Distribution	173,339	$39.01	173,425	$41.87

	31 December 2022		31 December 2021	
China Stars Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	24,233	€10.54	19,919	€12.28
Class I Sterling Accumulation	133,851	£9.35	101,558	£10.31
Class I US Dollar Accumulation	20,168	$11.25	1,903	$13.96
Class R Euro Accumulation	19,700	€10.36	14,720	€12.12
Class R Sterling Accumulation	130	£9.19	130	£10.18
Class R US Dollar Accumulation	19,739	$11.06	19,739	$13.78
Class S Euro Accumulation	6,960	€10.66	308	€12.38
Class S Sterling Accumulation	486,687	£9.46	367,708	£10.39
Class S US Dollar Accumulation	886,526	$11.38	897,794	$14.07

	31 December 2022		31 December 2021	
Emerging Markets Stars Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	8,729,857	€10.13	3,202,667	€13.23
Class I Sterling Accumulation	1,534,806	£8.99	1,142,912	£11.11
Class I US Dollar Accumulation	1,291,413	$10.82	2,243,693	$15.05
Class R Euro Accumulation	133,312	€9.94	121,061	€13.04
Class R Sterling Accumulation	14,222	£8.82	15,526	£10.95
Class R US Dollar Accumulation	467,583	$10.60	510,872	$14.83
Class SX Sterling Distribution	15,357,994	$7.72	100	$10.00
Class S Euro Accumulation	3,257,659	€10.31	4,288,829	€13.41
Class S Euro Distribution**	15,378	€7.70	15,378	€10.01
Class S Sterling Accumulation	8,750,591	£9.14	6,976,574	£11.26
Class S US Dollar Accumulation	8,691,247	$11.00	11,101,418	$15.25
Class S US Dollar Distribution	2,741,933	$11.16	2,618,729	$15.47
Class SX Euro Accumulation	100	€12.96	100	€16.91
Class SX US Dollar Distribution	10,106,618	€6.74	1,424,574	£13.79
Class SX Sterling Accumulation	1,957,290	£11.18	12,160,942	£9.53
Class R US Dollar Distribution	100	£7.15	12,907,882	$17.54
Class SX US Dollar Accumulation	17,095,345	$12.62	8,901,270	€9.36
Class X Euro Accumulation	225,763	€10.79	13,216,771	€146.16
Class X Swedish Krona Accumulation	14,102,733	SEK 120.01	1,713,854	SEK 14.20
Class X US Dollar Accumulation	4,781,280	$11.52	3,982,716	$16.14

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

	31 December 2022		31 December 2021	
European (ex UK) Income Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	84,741	€13.87	75,517	€13.66
Class I Sterling Accumulation	652,058	£12.22	657,540	£11.39
Class I Sterling Distribution	336,331	£9.22	348,244	£8.94
Class I Sterling Hedged Accumulation	26,380	£14.49	6,434	£14.08
Class I Sterling Hedged Distribution	58,014	£10.84	18,598	£10.95
Class S Sterling Accumulation	860,882	£12.34	954,562	£11.50
Class S Sterling Distribution	4,023,745	£9.30	3,114,544	£9.01
Class S Sterling Hedged Accumulation	100	£14.59	100	£14.14
Class S Sterling Hedged Distribution	48,806	£10.86	64,200	£10.99
Class X Sterling Accumulation	2,639	£11.72	100	£11.01
Class X Sterling Distribution	4,362,347	£10.22	4,853,942	£10.00

	31 December 2022		31 December 2021	
Financial Opportunities Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	2,604	€14.34	2,604	€15.46
Class I Euro Distribution	133,059	€12.92	118,199	€14.29
Class I Sterling Accumulation	358,506	£12.72	350,700	£12.98
Class I Sterling Distribution	315,820	£11.47	307,115	£12.00
Class I US Dollar Accumulation	48,065	$15.30	29,862	$17.59
Class I US Dollar Distribution	599	$13.79	526	$16.25
Class R Euro Accumulation	14,195	€13.70	4,794	€14.85
Class R Euro Distribution	16,732	€12.25	1,163	€13.61
Class R Sterling Accumulation	17,100	£12.16	12,245	£12.47
Class R Sterling Distribution	6,336	£10.86	6,550	£11.43
Class R US Dollar Accumulation	13,982	$14.63	13,982	$16.89
Class R US Dollar Distribution	9	$13.07	9	$15.48
Class S Sterling Distribution	208,815	$10.51	68,053	£10.96
Class S US Dollar Distribution	230,862	$12.64	551,152	$14.85

	31 December 2022		31 December 2021	
Global Absolute Return Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Hedged Euro Accumulation	2,624	€121.55	1,747	€123.92
Class I Hedged Sterling Accumulation	31,950	£126.57	33,672	£126.84
Class I US Dollar Accumulation	23,628	$131.06	12,894	$130.79
Class S Hedged Euro Accumulation	54,344	€122.88	16,362	€125.04
Class S Hedged Sterling Accumulation	202,957	£127.90	193,929	£127.76
Class S US Dollar Accumulation	458,503	$132.31	202,741	$131.80
Class I Hedged GBP Distribution*	13,728	£100.66	–	–
Class I Hedged JPY Accumulation*	155	¥989.16	–	–
Class I Hedged JPY Distribution*	155	¥989.15	–	–
Class S Hedged GBP Distribution*	308	£100.62	–	–
Class S Hedged JPY Accumulation*	155	¥989.93	–	–
Class S Hedged JPY Distribution*	155	¥989.93	–	–
Class I US Dollar Distribution*	10	$103.94	–	–

	31 December 2022		31 December 2021	
Global Convertible Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	523,975	€12.63	3,265,706	€14.16
Class I Euro Distribution	197,342	€8.72	192,609	€10.22
Class I Hedged Euro Accumulation	81,075	€9.81	136,995	€12.07
Class I Hedged Sterling Accumulation	3,365,225	£10.46	3,303,990	£12.68
Class I Hedged Sterling Distribution	2,833,852	£7.49	3,002,723	£9.48
Class I Hedged Swiss Franc Accumulation	81,300	Sfr. 9.39	82,200	Sfr. 11.58
Class I Sterling Accumulation	1,366,652	£11.20	1,974,049	£11.89
Class I Sterling Distribution	15,515,086	£7.74	19,234,589	£8.58
Class I US Dollar Accumulation	112,400	$13.48	195,449	$16.10
Class I US Dollar Distribution	225,205	$9.31	249,115	$11.63
Class Portfolio Currency Hedged Euro I Accumulation	2,926,434	€11.00	702,077	€13.02
Class Portfolio Currency Hedged Sterling I Distribution	4,323,489	£8.92	4,604,353	£10.93
Class R Euro Accumulation	64,995	€12.12	73,457	€13.66
Class R Euro Distribution	72,011	€8.35	175,195	€9.83
Class R Sterling Accumulation	7,543	£10.75	12,787	£11.47
Class R Sterling Distribution	8,747	£7.41	23,153	£8.26
Class R US Dollar Accumulation	140	$12.93	7,282	$15.53
Class R US Dollar Distribution	12,832	$8.91	86,802	$11.18
Class S Euro Accumulation	14,331	€11.19	15,113	€12.51
Class S Euro Distribution	153,980	€7.92	66,622	€9.25
Class S Hedged Sterling Accumulation	37,748	£10.75	61,909	£12.99
Class S Hedged Sterling Distribution	420,117	£7.67	181,663	£9.69

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

	31 December 2022		31 December 2021	
Global Convertible Fund continued	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class S Hedged Swiss Franc Accumulation	50	Sfr. 9.64	50	Sfr. 11.86
Class S Sterling Accumulation	150,380	£9.93	190,980	£10.50
Class S Sterling Distribution	18,746,640	£7.03	34,763,757	£7.77
Class S US Dollar Accumulation	53,629	$11.94	55,872	$14.22
Class S US Dollar Distribution	477,207	$8.45	413,002	$10.52
Class SI Sterling Accumulation	5,015,435	£11.39	5,037,957	£12.05
Class Portfolio Currency Hedged Sterling S Distribution	49,670	£9.05	7,320,175	£11.03
Class Portfolio Currency Hedged Sterling Y Distribution	4,455,164	£9.72	–	–
Class SI Sterling Distribution	101	£10.02	–	–
Class Y Sterling Distribution	10,689,934	£10.00	–	–

	31 December 2022		31 December 2021	
Global Insurance Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class A Sterling Distribution	191,332	£7.34	201,481	£6.02
Class B Sterling Accumulation	1,024,631	£9.90	1,102,791	£8.00
Class E Sterling Distribution	102,731,311	£7.79	96,533,213	£6.35
Class F Sterling Accumulation	23,852,097	£10.59	27,449,439	£8.52
Class I Euro Accumulation	24,108,388	€11.58	6,101,194	€9.85
Class I Euro Distribution	1,299,550	€8.58	1,531,179	€7.40
Class I Hedged Euro Accumulation	877,212	€19.19	879,760	€15.73
Class I Hedged US Dollar Accumulation	60,758	$21.24	52,697	$17.06
Class I Sterling Accumulation	39,682,580	£10.27	31,572,776	£8.27
Class I Sterling Distribution	49,399,070	£7.61	39,634,630	£6.21
Class I US Dollar Accumulation	22,476,016	$12.35	20,633,607	$11.20
Class I US Dollar Distribution	3,344,464	$9.16	2,891,212	$8.42
Class R Euro Accumulation	3,291,315	€10.86	661,670	€9.27
Class R Euro Distribution	658,345	€8.11	326,725	€7.03
Class R Sterling Accumulation	506,665	£9.63	535,469	£7.78
Class R Sterling Distribution	2,668,559	£7.20	3,171,435	£5.90
Class R US Dollar Accumulation	4,689,640	$11.59	5,903,146	$10.54
Class R US Dollar Distribution	181,885	$8.66	174,033	$7.99
Class I Hedged Euro Distribution	1,551,820	€9.95	–	–
Class I Hedged Sterling Distribution	281,275	£9.97	–	–
Class I Hedged Swiss Franc Accumulation	1,931,377	Sfr. 9.94	–	–

	31 December 2022		31 December 2021	
Global Technology Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class A Euro Distribution	173,366	€58.57	207,948	€91.05
Class A Sterling Distribution	250,589	£51.96	313,150	£76.45
Class A US Dollar Distribution	529,508	$62.51	836,519	$103.55
Class I Euro Accumulation*	2,624,770	€9.14	4,355,115	€14.14
Class I Euro Distribution	3,195,903	€54.83	5,223,432	€84.81
Class I Hedged Euro Distribution	4,155,317	€15.54	5,776,799	€26.63
Class I Hedged Sterling Distribution	4,827,161	£22.73	5,084,702	£38.69
Class I Hedged Swiss Franc Distribution	2,574,095	Sfr. 22.28	3,065,483	Sfr. 38.32
Class I Sterling Distribution	20,012,103	£48.64	25,846,912	£71.21
Class I US Dollar Distribution	14,807,807	$58.51	22,177,694	$96.45
Class R Euro Accumulation*	265,094	€9.04	236,197	€14.06
Class R Euro Distribution	5,454,444	€51.52	6,083,280	€80.10
Class R Hedged Euro Accumulation	4,953,104	€15.11	6,935,166	€26.04
Class R Hedged Euro Distribution	1,460,186	€22.30	2,283,150	€38.44
Class R Hedged Swiss Franc Distribution	788,644	Sfr. 21.55	933,307	Sfr. 37.27
Class R Sterling Distribution	641,840	£45.71	708,466	£67.25
Class R US Dollar Distribution	18,956,788	$54.99	24,093,839	$91.09

	31 December 2022		31 December 2021	
Healthcare Blue Chip Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	120,011	€17.32	42,306	€17.25
Class I Euro Distribution	13,171	€16.16	5,801	€16.22
Class I Sterling Accumulation	2,021,107	£15.36	1,066,223	£14.49
Class I Sterling Distribution	386,638	£14.33	242,097	£13.62
Class I US Dollar Accumulation	443,443	$18.48	62,872	$19.62
Class I US Dollar Distribution	6,348	$17.24	4,615	$18.44
Class S Sterling Accumulation	254,270	£15.54	253,560	£14.63
Class S Sterling Distribution	73,344	£14.50	53,519	£13.76
Class S Sterling Hedged Distribution	115,104	£16.04	103	£17.43
Class S US Dollar Accumulation	8	$18.69	8	$19.82
Class S US Dollar Distribution	54	$17.45	53	$18.63
Class SI Sterling Distribution	7,311,588	£12.88	4,983,528	£12.19
Class SI US Dollar Distribution	2,008,012	$15.50	4,423	$16.52
Class I EUR Hedged Accumulation	100	€10.42	–	–
Class R Euro Accumulation	101	€9.90	–	–
Class R US Dollar Accumulation	40,716	$10.56	–	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

	31 December 2022		31 December 2021	
Healthcare Discovery Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Sterling Accumulation	150,040	£9.80	158,969	£11.42
Class I US Dollar Accumulation	535,747	$11.79	607,812	$15.47
Class S Sterling Accumulation	1,733,689	£9.89	3,021,074	£11.47
Class S US Dollar Accumulation	866,753	$11.89	884,960	$15.54

	31 December 2022		31 December 2021	
Healthcare Opportunities Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class A Euro Distribution	141,033	€39.37	152,178	€40.54
Class A Sterling Distribution	76,493	£34.93	87,455	£34.04
Class A US Dollar Distribution	164,471	$42.02	179,616	$46.10
Class I Euro Distribution	1,736,139	€60.42	2,654,253	€14.78
Class I Euro Accumulation	1,415,731	€14.43	3,321,576	€61.90
Class I Euro Hedged Accumulation	431,924	€13.58	243,622	€15.33
Class I Sterling Distribution	17,303,794	£53.61	18,282,663	£51.97
Class I US Dollar Distribution	2,545,123	$64.48	425,238	$69.38
Class I US Dollar Accumulation	416,034	$63.56	3,552,582	$70.39
Class R Euro Distribution	1,322,813	€56.56	65,381	€57.31
Class R Euro Accumulation	84,934	€55.66	1,466,934	€58.23
Class R Sterling Distribution	237,145	£50.18	312,881	£48.89
Class R US Dollar Distribution	1,950,050	$60.36	160,242	$65.17
Class R US Dollar Accumulation	137,365	$59.41	2,074,995	$66.22

	31 December 2022		31 December 2021	
Income Opportunities Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class A1 Sterling Distribution	3,138,447	£1.47	3,541,057	£1.48
Class A2 Sterling Accumulation	892,095	£2.83	914,187	£2.71
Class B1 Sterling Distribution	4,927,988	£1.57	4,839,746	£1.57
Class B2 Sterling Accumulation	7,954,271	£2.98	7,529,199	£2.85
Class I Euro Accumulation	29,894	€3.36	29,894	€3.39
Class I Euro Distribution	779	€1.77	746	€1.87
Class I Euro Hedged Accumulation	8,457	€16.77	17,205	€16.29
Class I Euro Hedged Distribution	934	€12.35	928	€12.59
Class I US Dollar Accumulation	371	$3.58	371	$3.86
Class I US Dollar Distribution	250,636	$1.89	309,823	$2.13
Class R Euro Accumulation	57,951	€3.18	94,269	€3.23

Income Opportunities Fund continued	31 December 2022		31 December 2021	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class R Euro Distribution	69,036	€1.66	62,319	€1.76
Class R Euro Hedged Accumulation	75,807	€16.22	81,133	€15.87
Class R Euro Hedged Distribution	95,320	€11.99	95,314	€12.28
Class R US Dollar Accumulation	14,281	$3.40	112,106	$3.67
Class R US Dollar Distribution	701,407	$1.77	757,003	$2.00
Class R US Dollar Hedged Accumulation	361,003	$14.56	1,216,806	$13.89
Class R US Dollar Hedged Distribution	300,957	$11.35	508,048	$11.33

Japan Value Fund	31 December 2022		31 December 2021	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Distribution	1,038	€1.01	1,038	€0.99
Class I Hedged Swiss Franc Distribution	100	Sfr. 11.96	100	Sfr. 10.89
Class I Hedged Euro Distribution	100	€10.47	100	€9.53
Class I Hedged Sterling Distribution	3,851	£10.91	5,726	£9.79
Class I Hedged US Dollar Distribution	42,069	$11.55	37,327	$10.28
Class I Japanese Yen Distribution	36,894	¥142.22	1,415	¥128.69
Class I Sterling Distribution	167,669	£0.90	96,189	£0.83
Class I US Dollar Distribution	846	$1.08	846	$1.12
Class R Hedged Swiss Franc Distribution	159,826	Sfr. 11.81	225,825	Sfr. 10.81
Class R Hedged Euro Distribution	1,937,089	€2.48	2,146,280	¥2.26
Class R Hedged Sterling Distribution	1,380,239	£2.08	1,317,154	£1.87
Class R Hedged US Dollar Distribution	5,884,567	$3.64	7,710,654	$3.25
Class R Euro Distribution	105,955	€2.04	49,771	€2.00
Class R Sterling Distribution	2,575	£1.81	3,075	£1.68
Class R Japanese Yen Distribution	3,889,261	¥286.85	4,406,425	¥260.46
Class R US Dollar Distribution	182,426	$2.18	243,833	$2.26
Class S Hedged Swiss Franc Distribution	112,473	Sfr. 12.11	195,757	Sfr. 10.99
Class S Hedged Euro Distribution	936,739	€2.64	1,704,815	€2.39
Class S Hedged Sterling Distribution	5,276,161	£2.22	6,044,264	£1.99
Class S Hedged US Dollar Distribution	4,107,930	$3.90	5,252,869	$3.45
Class S Euro Distribution	164,902	€2.18	5,964,902	€2.12
Class S Japanese Yen Distribution	10,577,533	¥305.64	11,451,031	¥275.45
Class S Sterling Distribution	32,601,138	£1.92	25,786,556	£1.78
Class S US Dollar Distribution	5,314,985	$2.32	5,504,889	$2.39

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

	31 December 2022		31 December 2021	
North American Fund	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Distribution	10,022	€29.76	9,953	€34.11
Class I Hedged Euro Distribution	340,380	€26.75	2,379,639	€33.81
Class I Hedged Sterling Distribution	1,084,643	£28.00	1,473,279	£35.19
Class I Hedged Swiss Franc Distribution	62,313	Sfr. 14.84	105,810	Sfr. 18.81
Class I Sterling Distribution	3,115,431	£26.40	4,114,975	£28.64
Class I US Dollar Distribution	9,446,509	$31.76	10,749,027	$38.79
Class R Euro Distribution	52,054	€27.92	156,781	€32.19
Class R Hedged Euro Distribution	1,396,086	€24.98	194,085	€31.86
Class R Hedged Sterling Distribution	38,882	£26.33	48,795	£33.31
Class R Sterling Distribution	22,307	£24.77	20,888	£27.03
Class R US Dollar Distribution	640,572	$29.80	1,583,047	$36.61
Class S Euro Distribution	44,711	€30.14	37,680	€34.52
Class S Hedged Euro Distribution	21,350	€27.06	21,412	€34.29
Class S Hedged Sterling Distribution	537,096	£28.40	616,053	£35.67
Class S Sterling Distribution	6,134,959	£26.74	7,248,224	£28.99
Class S US Dollar Distribution	3,047,620	$32.17	3,063,920	$39.26

	31 December 2022		31 December 2021	
Smart Energy Fund*	**Number of shares**	**NAV/Share**	**Number of shares**	**NAV/Share**
Class I Euro Accumulation	877,926	€7.95	560,105	€9.36
Class I Sterling Accumulation	2,072,618	£7.05	108,411	£7.86
Class I Swedish Krona Accumulation	11	SEK 88.35	11	SEK 96.34
Class I Swiss Franc Accumulation	5,207	Sfr. 7.85	107	Sfr. 9.70
Class I US Dollar Accumulation	3,766,719	$8.48	1,505,543	$10.64
Class R Euro Accumulation	88,814	€7.87	63,704	€9.34
Class R Sterling Accumulation	16,647	£6.99	135	£7.84
Class R Swedish Krona Accumulation	2,122,218	SEK 87.57	11	SEK 96.16
Class R Swiss Franc Accumulation	117	Sfr. 7.78	307	Sfr. 9.68
Class R US Dollar Accumulation	6,223,020	$8.40	361,283	$10.62

Smart Mobility Fund*	31 December 2022		31 December 2021	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	377,777	€7.43	151,516	€9.30
Class I GBP Accumulation	411,933	£6.60	41,848	£7.81
Class I Swedish Krona Accumulation	11	SEK 82.66	11	SEK 95.74
Class I Swiss Franc Accumulation	7,957	Sfr. 7.34	107	Sfr. 9.63
Class I US Dollar Accumulation	502,282	$7.93	501,800	$10.57
Class R Euro Accumulation	7,441	€7.37	1,904	€9.29
Class R GBP Accumulation	135	£6.54	135	£7.80
Class R Swedish Krona Accumulation	13	SEK 81.98	11	SEK 95.61
Class R Swiss Franc Accumulation	107	Sfr. 7.28	107	Sfr. 9.62
Class R US Dollar Accumulation	100	$7.87	100	$10.56

UK Value Opportunities Fund	31 December 2022		31 December 2021	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Sterling Accumulation	10,389,461	£11.99	9,592,295	£14.64
Class I Sterling Distribution	8,574,650	£11.16	11,963,814	£13.83
Class R Sterling Accumulation	131,118	£9.97	170,554	£12.25
Class S Sterling Accumulation	13,318,808	£12.07	16,550,139	£14.72
Class S Sterling Distribution	56,063,674	£11.18	72,814,722	£13.86
Class Z Sterling Accumulation	100	£10.97	4,126,850	£13.30

* Launched during the period

** Terminated during the year.

Movement in redeemable participating shares in issue during the financial year

Asian Stars Fund	31 December 2022			
	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 in issue at 1 January 2022	50,391	114,243	173,648	3,022
Shares issued during the financial year	86	150,655	186,584	3,492
Shares redeemed during financial year	(86)	(62,331)	(118,700)	(2,335)
Shares in issue at 31 December 2022	50,391	202,567	241,532	4,179
Shares in issue at 31 December 2021	50,391	114,243	173,648	3,022

Asian Stars Fund continued	31 December 2022			
	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation
Shares in issue at 1 January 2022	127	1,083	5,270,402	1,274,617
Shares issued during the financial year	–	445	635,396	500,427
Shares redeemed during financial year	–	–	(1,420,891)	(226,676)
Shares in issue at 31 December 2022	127	1,528	4,484,907	1,548,368
Shares in issue at 31 December 2021	127	1,083	5,270,402	1,274,617

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022	
Asian Stars Fund continued	**Shares Number Class S USD Accumulation**	**Shares Number Class S USD Distribution**
Shares in issue at 1 January 2022	2,065,418	100
Shares issued during the financial year	1,442,262	30,000
Shares redeemed during financial year	(246,478)	–
Shares in issue at 31 December 2022	3,261,202	30,100
Shares in issue at 31 December 2021	2,065,418	100

	31 December 2022			
Automation & Artificial Intelligence Fund	**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 in issue at 1 January 2022	1,453,941	7,099,683	2,958,931	1,456,944
Shares issued during the financial year	377,359	564,071	277,962	118,707
Shares redeemed during financial year	(311,169)	(1,173,865)	(178,920)	(429,979)
Shares in issue at 31 December 2022	1,520,131	6,489,889	3,057,973	1,145,672
Shares in issue at 31 December 2021	1,453,941	7,099,683	2,958,931	1,456,944

	31 December 2022		
Automation & Artificial Intelligence Fund continued	**Shares Number Class R USD Accumulation**	**Shares Number Class S EUR Accumulation**	**Shares Number Class S GBP Accumulation**
Shares in issue at 1 January 2022	1,735,902	81,174	11,816,416
Shares issued during the financial year	26,256	6,987	610,505
Shares redeemed during financial year	(203,570)	(30,186)	(3,217,809)
Shares in issue at 31 December 2022	1,558,588	57,975	9,209,112
Shares in issue at 31 December 2021	1,735,902	81,174	11,816,416

	31 December 2022	
Automation & Artificial Intelligence Fund continued	**Shares Number Class S USD Accumulation**	**Shares Number Class Z GBP Accumulation**
Shares in issue at 1 January 2022	837,449	7,280,100
Shares issued during the financial year	9,558	0
Shares redeemed during financial year	(311,623)	(5,042,500)
Shares in issue at 31 December 2022	535,384	2,237,600
Shares in issue at 31 December 2021	837,449	7,280,100

Biotechnology Fund	31 December 2022			
	Shares Number Class I EUR Distribution	Shares Number Class I GBP Distribution	Shares Number Class I GBP Hedged Distribution	Shares Number Class I USD Distribution
Shares in issue at 1 January 2022	4,476,496	5,740,766	6,879,916	11,839,209
Shares issued during the financial year	1,815,505	1,762,011	481,691	7,836,267
Shares redeemed during financial year	(1,634,514)	(1,310,381)	(4,672,488)	(4,341,972)
Shares in issue at 31 December 2022	4,657,487	6,192,396	2,689,119	15,333,504
Shares in issue at 31 December 2021	4,476,496	5,740,766	6,879,916	11,839,209

Biotechnology Fund continued	31 December 2022			
	Shares Number Class R EUR Distribution	Shares Number Class R GBP Distribution	Shares Number Class R USD Distribution	Shares Number Class S EUR Distribution
Shares in issue at 1 January 2022	5,126,666	273,238	10,791,636	16,882
Shares issued during the financial year	1,246,534	30,026	1,564,486	–
Shares redeemed during financial year	(1,736,786)	(60,750)	(2,756,010)	(2,518)
Shares in issue at 31 December 2022	4,636,414	242,514	9,600,112	14,364
Shares in issue at 31 December 2021	5,126,666	273,238	10,791,636	16,882

Biotechnology Fund continued	31 December 2022	
	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
Shares in issue at 1 January 2022	49,685	173,425
Shares issued during the financial year	81,891	1,500
Shares redeemed during financial year	(54,803)	(1,586)
Shares in issue at 31 December 2022	76,773	173,339
Shares in issue at 31 December 2021	49,685	173,425

China Stars Fund	31 December 2022			
	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 in issue at 1 January 2022	19,919	101,558	1,903	14,720
Shares issued during the financial year	4,457	75,439	20,548	11,128
Shares redeemed during financial year	(143)	(43,146)	(2,283)	(6,148)
Shares in issue at 31 December 2022	24,233	133,851	20,168	19,700
Shares in issue at 31 December 2021	19,919	101,558	1,903	14,720

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
China Stars Fund continued	**Shares Number Class R GBP Accumulation**	**Shares Number Class R USD Accumulation**	**Shares Number Class S EUR Accumulation**	**Shares Number Class S GBP Accumulation**
Shares in issue at 1 January 2022	130	19,739	308	367,708
Shares issued during the financial year	–	–	13,192	468,286
Shares redeemed during financial year	–	–	(6,540)	(349,307)
Shares in issue at 31 December 2022	130	19,739	6,960	486,687
Shares in issue at 31 December 2021	130	19,739	308	367,708

China Stars Fund continued	**31 December 2022 Shares Number Class S USD Accumulation**
Shares in issue at 1 January 2022	897,794
Shares issued during the financial year	44,549
Shares redeemed during financial year	(55,817)
Shares in issue at 31 December 2022	886,526
Shares in issue at 31 December 2021	897,794

	31 December 2022			
Emerging Markets Stars Fund	**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 in issue at 1 January 2022	3,202,667	1,142,912	2,243,693	121,061
Shares issued during the financial year	8,342,402	632,557	551,921	66,749
Shares redeemed during financial year	(2,815,212)	(240,663)	(1,504,201)	(54,498)
Shares in issue at 31 December 2022	8,729,857	1,534,806	1,291,413	133,312
Shares in issue at 31 December 2021	3,202,667	1,142,912	2,243,693	121,061

	31 December 2022			
Emerging Markets Stars Fund continued	**Shares Number Class R GBP Accumulation**	**Shares Number Class R USD Accumulation**	**Shares Number Class R USD Distribution**	**Shares Number Class S EUR Accumulation**
Shares in issue at 1 January 2022	15,526	510,872	12,160,942	4,288,829
Shares issued during the financial year	355	15,173	3,794,640	108,686
Shares redeemed during financial year	(1,659)	(58,462)	(597,588)	(1,139,856)
Shares in issue at 31 December 2022	14,222	467,583	15,357,994	3,257,659
Shares in issue at 31 December 2021	15,526	510,872	12,160,942	4,288,829

Emerging Markets Stars Fund continued	31 December 2022			
	Shares Number Class S EUR Distribution	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation	Shares Number Class USD Distribution
Shares in issue at 1 January 2022	15,378	6,976,574	11,101,418	2,618,729
Shares issued during the financial year	–	3,769,063	892,641	583,072
Shares redeemed during financial year	–	(1,995,046)	(3,302,812)	(459,868)
Shares in issue at 31 December 2022	15,378	8,750,591	8,691,247	2,741,933
Shares in issue at 31 December 2021	15,378	6,976,574	11,101,418	2,618,729

Emerging Markets Stars Fund continued	31 December 2022			
	Shares Number Class SX EUR Accumulation	Shares Number Class SX EUR Distribution	Shares Number Class SX GBP Accumulation	Shares Number Class SX GBP Distribution
Shares in issue at 1 January 2022	100	8,901,270	1,424,574	100
Shares issued during the financial year	–	2,238,420	733,736	–
Shares redeemed during financial year	–	(1,033,072)	(201,020)	–
Shares in issue at 31 December 2022	100	10,106,618	1,957,290	100
Shares in issue at 31 December 2021	100	8,901,270	1,424,574	100

Emerging Markets Stars Fund continued	31 December 2022			
	Shares Number Class SX USD Accumulation	Shares Number Class X SEK Accumulation	Shares Number Class X EUR Accumulation	Shares Number Class X USD Accumulation
Shares in issue at 1 January 2022	12,907,882	13,216,771	1,713,854	3,982,716
Shares issued during the financial year	4,432,513	3,202,349	10,481	1,323,961
Shares redeemed during financial year	(245,050)	(2,316,387)	(1,498,572)	(525,397)
Shares in issue at 31 December 2022	17,095,345	14,102,733	225,763	4,781,280
Shares in issue at 31 December 2021	12,907,882	13,216,771	1,713,854	3,982,716

European (ex UK) Income Fund	31 December 2022			
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class I GBP Hedged Accumulation
Shares in issue at 1 January 2022	75,516	657,540	348,244	6,434
Shares issued during the financial year	32,126	460,399	129,429	36,532
Shares redeemed during financial year	(22,901)	(465,881)	(141,342)	(16,586)
Shares in issue at 31 December 2022	84,741	652,058	336,331	26,380
Shares in issue at 31 December 2021	75,516	657,540	348,244	6,434

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
European (ex UK) Income Fund continued	**Shares Number Class I GBP Hedged Distribution**	**Shares Number Class S GBP Accumulation**	**Shares Number Class S GBP Distribution**	**Shares Number Class S GBP Hedged Accumulation**
Shares in issue at 1 January 2022	18,598	954,562	3,114,544	100
Shares issued during the financial year	67,031	597,607	3,614,807	–
Shares redeemed during financial year	(27,615)	(691,287)	(2,705,606)	–
Shares in issue at 31 December 2022	58,014	860,882	4,023,745	100
Shares in issue at 31 December 2021	18,598	954,562	3,114,544	100

	31 December 2022		
European (ex UK) Income Fund continued	**Shares Number Class S GBP Hedged Distribution**	**Shares Number Class X GBP Hedged Accumulation**	**Shares Number Class X GBP Hedged Distribution**
Shares in issue at 1 January 2022	64,200	100	4,853,942
Shares issued during the financial year	7	10,808	348,005
Shares redeemed during financial year	(15,401)	(8,269)	(839,600)
Shares in issue at 31 December 2022	48,806	2,639	4,362,347
Shares in issue at 31 December 2021	64,200	100	4,853,942

	31 December 2022			
Financial Opportunities Fund	**Shares Number Class I EUR Accumulation**	**Shares Number Class I EUR Distribution**	**Shares Number Class I GBP Accumulation**	**Shares Number Class I GBP Distribution**
Shares in issue at 1 January 2022	2,604	118,199	350,700	307,115
Shares issued during the financial year	3,235	14,869	278,780	72,566
Shares redeemed during financial year	(3,235)	(9)	(270,974)	(63,861)
Shares in issue at 31 December 2022	2,604	133,059	358,506	315,820
Shares in issue at 31 December 2021	2,604	118,199	350,700	307,115

	31 December 2022			
Financial Opportunities Fund continued	**Shares Number Class I USD Accumulation**	**Shares Number Class I USD Distribution**	**Shares Number Class R EUR Accumulation**	**Shares Number Class R EUR Distribution**
Shares in issue at 1 January 2022	29,862	526	4,794	1,163
Shares issued during the financial year	28,866	2,877	28,888	16,726
Shares redeemed during financial year	(10,663)	(2,804)	(19,487)	(1,157)
Shares in issue at 31 December 2022	48,065	599	14,195	16,732
Shares in issue at 31 December 2021	29,862	526	4,794	1,163

Financial Opportunities Fund continued	31 December 2022			
	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
Shares in issue at 1 January 2022	12,245	6,550	13,982	9
Shares issued during the financial year	4,855	80	–	–
Shares redeemed during financial year	–	(294)	–	–
Shares in issue at 31 December 2022	17,100	6,336	13,982	9
Shares in issue at 31 December 2021	12,245	6,550	13,982	9

Financial Opportunities Fund continued	31 December 2022	
	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
Shares in issue at 1 January 2022	68,053	551,152
Shares issued during the financial year	149,492	37,589
Shares redeemed during financial year	(8,730)	(357,879)
Shares in issue at 31 December 2022	208,815	230,862
Shares in issue at 31 December 2021	68,053	551,152

Global Absolute Return Fund	31 December 2022			
	Shares Number Class I Hedged EUR Accumulation	Shares Number Class I Hedged GBP Accumulation	Shares Number Class I USD Accumulation	Shares Number Class S Hedged EUR Accumulation
Shares in issue at 1 January 2022	1,747	33,672	12,894	16,362
Shares issued during the financial year	1,982	2,964	16,466	41,977
Shares redeemed during financial year	(1,105)	(4,686)	(5,732)	(3,995)
Shares in issue at 31 December 2022	2,624	31,950	23,628	54,344
Shares in issue at 31 December 2021	1,747	33,672	12,894	16,362

Global Absolute Return Fund continued	31 December 2022			
	Shares Number Class S Hedged GBP Accumulation	Shares Number Class S USD Accumulation	Shares Number Class I Hedged Euro Accumulation	Shares Number Class I Hedged Sterling Accumulation
Shares in issue at 1 January 2022	193,929	202,741	–	–
Shares issued during the financial year	33,789	349,073	13,734	155
Shares redeemed during financial year	(24,761)	(93,311)	(6)	–
Shares in issue at 31 December 2022	202,957	458,503	13,728	155
Shares in issue at 31 December 2021	193,929	202,741	–	–

* New Share Class launched during the year

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
Global Absolute Return Fund continued	**Shares Number Class I US Dollar Accumulation**	**Shares Number Class S Hedged Euro Accumulation**	**Shares Number Class S Hedged Sterling Accumulation**	**Shares Number Class S US Dollar Accumulation**
Shares in issue at 1 January 2022	–	–	–	–
Shares issued during the financial year	155	10	308	155
Shares redeemed during financial year	–	–	–	–
Shares in issue at 31 December 2022	155	10	308	155
Shares in issue at 31 December 2021	–	–	–	–

Global Absolute Return Fund continued	**31 December 2022 Class S US Dollar Accumulation**
Shares in issue at 1 January 2022	–
Shares issued during the financial year	155
Shares redeemed during financial year	–
Shares in issue at 31 December 2022	155
Shares in issue at 31 December 2021	–

	31 December 2022			
Global Convertible Fund	**Shares Number Class I EUR Accumulation**	**Shares Number Class I EUR Distribution**	**Shares Number Class I EUR Hedged Accumulation**	**Shares Number Class I GBP Hedged Accumulation**
Shares in issue at 1 January 2022	3,265,706	192,609	136,995	3,303,313
Shares issued during the financial year	58,805	5,078	1,750	1,096,187
Shares redeemed during financial year	(2,800,536)	(345)	(57,670)	(1,034,275)
Shares in issue at 31 December 2022	523,975	197,342	81,075	3,365,225
Shares in issue at 31 December 2021	3,265,706	192,609	136,995	3,303,313

	31 December 2022			
Global Convertible Fund continued	**Shares Number Class I Hedged GBP Distribution**	**Shares Number Class I Hedged CHF Accumulation**	**Shares Number Class I GBP Accumulation**	**Shares Number Class I GBP Distribution**
Shares in issue at 1 January 2022	3,002,723	82,200	1,974,049	19,234,589
Shares issued during the financial year	1,116,594	–	356,913	1,785,119
Shares redeemed during financial year	(1,285,465)	(900)	(964,310)	(5,504,622)
Shares in issue at 31 December 2022	2,833,852	81,300	1,366,652	15,515,086
Shares in issue at 31 December 2021	3,002,723	82,200	1,974,049	19,234,589

* New Share Class launched during the year

Global Convertible Fund continued	31 December 2022			
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution"	Shares Number Class Portfolio Currency Hedged EUR I Accumulation	Shares Number Class Portfolio Currency Hedged GBP I Distribution
Shares in issue at 1 January 2022	195,449	249,115	702,077	4,604,353
Shares issued during the financial year	368,775	11,830	3,378,966	159,338
Shares redeemed during financial year	(451,824)	(35,740)	(1,154,609)	(440,202)
Shares in issue at 31 December 2022	112,400	225,205	2,926,434	4,323,489
Shares in issue at 31 December 2021	195,449	249,115	702,077	4,604,353

Global Convertible Fund continued	31 December 2022			
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution
Shares in issue at 1 January 2022	73,457	175,195	12,787	23,153
Shares issued during the financial year	9,140	38	–	10
Shares redeemed during financial year	(17,602)	(103,222)	(5,244)	(14,416)
Shares in issue at 31 December 2022	64,995	72,011	7,543	8,747
Shares in issue at 31 December 2021	73,457	175,195	12,787	23,153

Global Convertible Fund continued	31 December 2022			
	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution	Shares Number Class S EUR Distribution	Shares Number Class S EUR Distribution
Shares in issue at 1 January 2022	7,282	86,802	15,113	66,622
Shares issued during the financial year	809	9	3,549	102,167
Shares redeemed during financial year	(7,951)	(73,979)	(4,331)	(14,809)
Shares in issue at 31 December 2022	140	12,832	14,331	153,980
Shares in issue at 31 December 2021	7,282	86,802	15,113	66,622

Global Convertible Fund continued	31 December 2022			
	Shares Number Class S Hedged GBP Accumulation	Shares Number Class S Hedged GBP Distribution	Shares Number Class S CHF Hedged Accumulation	Shares Number Class S GBP Accumulation
Shares in issue at 1 January 2022	61,909	181,663	50	190,980
Shares issued during the financial year	1,000	335,239	–	11,000
Shares redeemed during financial year	(25,161)	(96,785)	–	(51,600)
Shares in issue at 31 December 2022	37,748	420,117	50	150,380
Shares in issue at 31 December 2021	61,909	181,663	50	190,980

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
Global Convertible Fund continued	**Shares Number Class S GBP Distribution**	**Shares Number Class S USD Accumulation**	**Shares Number Class S USD Distribution**	**Shares Number Class SI GBP Accumulation**
Shares in issue at 1 January 2022	34,763,757	55,872	413,002	5,037,957
Shares issued during the financial year	9,333,390	11,999	163,653	808,542
Shares redeemed during financial year	(25,350,507)	(14,242)	(99,448)	(831,064)
Shares in issue at 31 December 2022	18,746,640	53,629	477,207	5,015,435
Shares in issue at 31 December 2021	34,763,757	55,872	413,002	5,037,957

	31 December 2022			
Global Convertible Fund continued	**Shares Number Class Portfolio Currency Hedged GBP S Distribution**	**Shares Number Class Portfolio Currency Hedged GBP Y Distribution***	**Shares Number Class SI GBP Distribution***	**Shares Number Class Y GBP Distribution***
Shares in issue at 1 January 2022	7,320,175	–	–	–
Shares issued during the financial year	572,428	4,467,960	101	11,059,845
Shares redeemed during financial year	(7,842,933)	(12,796)	–	(369,911)
Shares in issue at 31 December 2022	49,670	4,455,164	101	10,689,934
Shares in issue at 31 December 2021	7,320,175	–	–	–

	31 December 2022			
Global Insurance Fund	**Shares Number Class A GBP Distribution**	**Shares Number Class B GBP Accumulation**	**Shares Number Class E GBP Distribution**	**Shares Number Class F GBP Accumulation**
Shares in issue at 1 January 2022	201,481	1,102,791	96,533,213	27,449,439
Shares issued during the financial year	798	13,126	19,568,583	4,214,668
Shares redeemed during financial year	(10,947)	(91,286)	(13,370,485)	(7,812,010)
Shares in issue at 31 December 2022	191,332	1,024,631	102,731,311	23,852,097
Shares in issue at 31 December 2021	201,481	1,102,791	96,533,213	27,449,439

* New Share Class launched during the year

Global Insurance Fund continued	31 December 2022			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Accumulation	Shares Number Class I Hedged USD Accumulation
Shares in issue at 1 January 2022	6,101,194	1,531,179	879,760	52,697
Shares issued during the financial year	22,453,005	753,449	169,855	134,156
Shares redeemed during financial year	(4,445,811)	(985,078)	(172,403)	(126,095)
Shares in issue at 31 December 2022	24,108,388	1,299,550	877,212	60,758
Shares in issue at 31 December 2021	6,101,194	1,531,179	879,760	52,697

Global Insurance Fund continued	31 December 2022			
	Shares Number Class I GBP Distribution	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
Shares in issue at 1 January 2022	31,572,776	39,634,630	20,633,607	2,891,212
Shares issued during the financial year	20,244,271	17,995,020	9,482,235	907,775
Shares redeemed during financial year	(12,134,467)	(8,230,580)	(7,639,826)	(454,523)
Shares in issue at 31 December 2022	39,682,580	49,399,070	22,476,016	3,344,464
Shares in issue at 31 December 2021	31,572,776	39,634,630	20,633,607	2,891,212

Global Insurance Fund continued	31 December 2022			
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution
Shares in issue at 1 January 2022	661,670	326,725	535,469	3,171,435
Shares issued during the financial year	3,722,118	497,112	130,806	20,422
Shares redeemed during financial year	(1,092,473)	(165,492)	(159,610)	(523,298)
Shares in issue at 31 December 2022	3,291,315	658,345	506,665	2,668,559
Shares in issue at 31 December 2021	661,670	326,725	535,469	3,171,435

Global Insurance Fund continued	31 December 2022			
	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution
Shares in issue at 1 January 2022	5,903,146	174,033	–	–
Shares issued during the financial year	468,405	59,515	1,575,393	281,275
Shares redeemed during financial year	(1,681,911)	(51,663)	(23,573)	–
Shares in issue at 31 December 2022	4,689,640	181,885	1,551,820	281,275
Shares in issue at 31 December 2021	5,903,146	174,033	–	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

Global Insurance Fund continued	31 December 2022 Shares Number Class R USD Distribution
Shares in issue at 1 January 2022	–
Shares issued during the financial year	1,931,377
Shares redeemed during financial year	–
Shares in issue at 31 December 2022	1,931,377
Shares in issue at 31 December 2021	–

Global Technology Fund	31 December 2022 Shares Number Class A EUR Distribution	Shares Number Class A GBP Distribution	Shares Number Class A USD Distribution	Shares Number Class I EUR Accumulation
Shares in issue at 1 January 2022	207,948	313,150	836,519	4,355,115
Shares issued during the financial year	19,651	18,893	25,324	580,651
Shares redeemed during financial year	(54,233)	(81,454)	(332,335)	(2,310,996)
Shares in issue at 31 December 2022	173,366	250,589	529,508	2,624,770
Shares in issue at 31 December 2021	207,948	313,150	836,519	4,355,115

Global Technology Fund continued	31 December 2022 Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution	Shares Number Class I Hedged CHF Distribution
Shares in issue at 1 January 2022	5,223,432	5,776,799	5,084,702	3,065,483
Shares issued during the financial year	733,666	1,456,701	1,124,338	193,585
Shares redeemed during financial year	(2,761,195)	(3,078,183)	(1,381,879)	(684,973)
Shares in issue at 31 December 2022	3,195,903	4,155,317	4,827,161	2,574,095
Shares in issue at 31 December 2021	5,223,432	5,776,799	5,084,702	3,065,483

Global Technology Fund continued	31 December 2022 Shares Number Class I GBP Distribution	Shares Number Class I USD Distribution	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution
Shares in issue at 1 January 2022	25,846,912	22,177,694	236,197	6,083,280
Shares issued during the financial year	2,435,408	1,904,673	80,868	781,334
Shares redeemed during financial year	(8,270,217)	(9,274,560)	(51,971)	(1,410,170)
Shares in issue at 31 December 2022	20,012,103	14,807,807	265,094	5,454,444
Shares in issue at 31 December 2021	25,846,912	22,177,694	236,197	6,083,280

Global Technology Fund continued	31 December 2022			
	Shares Number Class R Hedged EUR Distribution	Shares Number Class R Hedged CHF Distribution	Shares Number Class R GBP Distribution	Shares Number Class R GBP Distribution
Shares in issue at 1 January 2022	6,935,166	2,283,150	933,307	708,466
Shares issued during the financial year	1,090,266	137,976	47,094	52,576
Shares redeemed during financial year	(3,072,328)	(960,940)	(191,757)	(119,202)
Shares in issue at 31 December 2022	4,953,104	1,460,186	788,644	641,840
Shares in issue at 31 December 2021	6,935,166	2,283,150	933,307	708,466

Global Technology Fund continued	31 December 2022 Shares Number Class R USD Distribution
Shares in issue at 1 January 2022	24,093,839
Shares issued during the financial year	1,045,132
Shares redeemed during financial year	(6,186,127)
Shares in issue at 31 December 2022	18,952,844
Shares in issue at 31 December 2021	24,093,839

Healthcare Blue Chip Fund	31 December 2022			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
Shares in issue at 1 January 2022	42,305	5,800	1,066,223	242,097
Shares issued during the financial year	86,473	7,371	1,404,107	248,596
Shares redeemed during financial year	(8,767)	–	(449,223)	(104,055)
Shares in issue at 31 December 2022	120,011	13,171	2,021,107	386,638
Shares in issue at 31 December 2021	42,305	5,800	1,066,223	242,097

Healthcare Blue Chip Fund continued	31 December 2022			
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution
Shares in issue at 1 January 2022	62,871	4,614	253,560	53,519
Shares issued during the financial year	537,452	4,401	106,247	41,529
Shares redeemed during financial year	(156,880)	(2,667)	(105,537)	(21,704)
Shares in issue at 31 December 2022	443,443	6,348	254,270	73,344
Shares in issue at 31 December 2021	62,871	4,614	253,560	53,519

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
Healthcare Blue Chip Fund continued	**Shares Number Class S GBP Hedged Distribution**	**Shares Number Class S USD Accumulation**	**Shares Number Class S USD Distribution**	**Shares Number Class SI GBP Distribution**
Shares in issue at 1 January 2022	103	8	53	4,983,528
Shares issued during the financial year	115,001	–	1	3,152,293
Shares redeemed during financial year	–	–	–	(824,233)
Shares in issue at 31 December 2022	115,104	8	54	7,311,588
Shares in issue at 31 December 2021	103	8	53	4,983,528

	31 December 2022			
Healthcare Blue Chip Fund continued	**Shares Number Class SI USD Distribution**	**Shares Number Class I Hedged EUR Accumulation***	**Shares Number Class R EUR Accumulation***	**Shares Number Class R USD Accumulation***
Shares in issue at 1 January 2022	4,423	–	–	–
Shares issued during the financial year	2,006,670	100	101	40,716
Shares redeemed during financial year	(3,081)	–	–	–
Shares in issue at 31 December 2022	2,008,012	100	101	40,716
Shares in issue at 31 December 2021	4,423	–	–	–

	31 December 2022			
Healthcare Discovery Fund	**Shares Number Class I GBP Accumulation**	**Shares Number Class I USD Accumulation**	**Shares Number Class S GBP Accumulation**	**Shares Number Class S USD Accumulation**
Shares in issue at 1 January 2022	158,969	607,812	3,021,074	884,960
Shares issued during the financial year	92,325	88,943	175,573	16,764
Shares redeemed during financial year	(105,199)	(161,008)	(1,462,958)	(34,971)
Shares in issue at 31 December 2022	146,095	535,747	1,733,689	866,753
Shares in issue at 31 December 2021	158,969	607,812	3,021,074	884,960

	31 December 2022			
Healthcare Opportunities Fund	**Shares Number Class A EUR Distribution**	**Shares Number Class A GBP Distribution**	**Shares Number Class A USD Distribution**	**Shares Number Class I EUR Distribution**
Shares in issue at 1 January 2022	152,178	87,455	179,616	3,321,576
Shares issued during the financial year	6,609	1,853	5,133	274,842
Shares redeemed during financial year	(17,754)	(12,815)	(20,278)	(1,860,279)
Shares in issue at 31 December 2022	141,033	76,493	164,471	1,736,139
Shares in issue at 31 December 2021	152,178	87,455	179,616	3,321,576

* New Share Class launched during the year

Healthcare Opportunities Fund continued	31 December 2022			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Hedged Distribution	Shares Number Class I GBP Distribution	Shares Number Class I USD Distribution
Shares in issue at 1 January 2022	2,654,253	243,622	18,282,663	3,552,582
Shares issued during the financial year	1,082,653	212,148	2,310,557	614,340
Shares redeemed during financial year	(2,321,175)	(23,846)	(3,289,426)	(1,621,799)
Shares in issue at 31 December 2022	1,415,731	431,924	17,303,794	2,545,123
Shares in issue at 31 December 2021	2,654,253	243,622	18,282,663	3,552,582

Healthcare Opportunities Fund continued	31 December 2022			
	Shares Number Class I USD Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Distribution
Shares in issue at 1 January 2022	425,238	1,466,934	65,381	312,881
Shares issued during the financial year	87,046	142,010	38,434	17,058
Shares redeemed during financial year	(96,250)	(286,131)	(18,881)	(92,794)
Shares in issue at 31 December 2022	416,034	1,322,813	84,934	237,145
Shares in issue at 31 December 2021	425,238	1,466,934	65,381	312,881

Healthcare Opportunities Fund continued	31 December 2022	
	Shares Number Class R USD Distribution	Shares Number Class R USD Accumulation
Shares in issue at 1 January 2022	2,074,995	160,242
Shares issued during the financial year	205,727	72,865
Shares redeemed during financial year	(330,672)	(95,742)
Shares in issue at 31 December 2022	1,950,050	137,365
Shares in issue at 31 December 2021	2,074,995	160,242

Income Opportunities Fund	31 December 2022			
	Shares Number Class A1 GBP Distribution	Shares Number Class A2 GBP Accumulation	Shares Number Class B1 GBP Distribution	Shares Number Class B2 GBP Accumulation
Shares in issue at 1 January 2022	3,541,057	914,187	4,839,746	7,529,199
Shares issued during the financial year	270	27,980	896,281	677,623
Shares redeemed during financial year	(402,880)	(50,072)	(808,039)	(252,551)
Shares in issue at 31 December 2022	3,138,447	892,095	4,927,988	7,954,271
Shares in issue at 31 December 2021	3,541,057	914,187	4,839,746	7,529,199

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
Income Opportunities Fund continued	**Shares Number Class I EUR Accumulation**	**Shares Number Class I EUR Distribution**	**Shares Number Class I EUR Hedged Accumulation**	**Shares Number Class I EUR Hedged Distribution**
Shares in issue at 1 January 2022	29,894	746	17,205	928
Shares issued during the financial year	–	33	6,232	6
Shares redeemed during financial year	–	–	(14,980)	–
Shares in issue at 31 December 2022	29,894	779	8,457	934
Shares in issue at 31 December 2021	29,894	746	17,205	928

	31 December 2022			
Income Opportunities Fund continued	**Shares Number Class I USD Accumulation**	**Shares Number Class I USD Distribution**	**Shares Number Class R EUR Accumulation**	**Shares Number Class R EUR Distribution**
Shares in issue at 1 January 2022	371	309,823	94,269	62,319
Shares issued during the financial year	–	30	264,028	45,213
Shares redeemed during financial year	–	(59,217)	(300,346)	(38,496)
Shares in issue at 31 December 2022	371	250,636	57,951	69,036
Shares in issue at 31 December 2021	371	309,823	94,269	62,319

	31 December 2022			
Income Opportunities Fund continued	**Shares Number Class R EUR Hedged Accumulation**	**Shares Number Class R EUR Hedged Distribution**	**Shares Number Class R USD Accumulation**	**Shares Number Class R USD Distribution**
Shares in issue at 1 January 2022	81,133	95,314	112,106	757,003
Shares issued during the financial year	4,331	1,589	24,371	976
Shares redeemed during financial year	(9,657)	(1,583)	(122,196)	(56,572)
Shares in issue at 31 December 2022	75,807	95,320	14,281	701,407
Shares in issue at 31 December 2021	81,133	95,314	112,106	757,003

	31 December 2022	
Income Opportunities Fund continued	**Shares Number Class R USD Hedged Accumulation**	**Shares Number Class R USD Hedged Distribution**
Shares in issue at 1 January 2022	1,216,806	508,048
Shares issued during the financial year	28,374	5
Shares redeemed during financial year	(884,177)	(207,096)
Shares in issue at 31 December 2022	361,003	300,957
Shares in issue at 31 December 2021	1,216,806	508,048

Japan Value Fund	31 December 2022			
	Shares Number Class I EUR Distribution	Shares Number Class I Hedged CHF Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution
Shares in issue at 1 January 2022	1,038	100	100	5,726
Shares issued during the financial year	–	–	–	–
Shares redeemed during financial year	–	–	–	(1,875)
Shares in issue at 31 December 2022	1,038	100	100	3,851
Shares in issue at 31 December 2021	1,038	100	100	5,726

Japan Value Fund continued	31 December 2022			
	Shares Number Class I Hedged USD Distribution	Shares Number Class I JPY Distribution	Shares Number Class I GBP Distribution	Shares Number Class I USD Distribution
Shares in issue at 1 January 2022	37,327	1,415	96,189	846
Shares issued during the financial year	19,134	9,866,248	74,322	32,102
Shares redeemed during financial year	(14,392)	(9,830,769)	(2,842)	(32,102)
Shares in issue at 31 December 2022	42,069	36,894	167,669	846
Shares in issue at 31 December 2021	37,327	1,415	96,189	846

Japan Value Fund continued	31 December 2022			
	Shares Number Class R Hedged CHF Distribution	Shares Number Class R Hedged EUR Distribution	Shares Number Class R Hedged GBP Distribution	Shares Number Class R Hedged USD Distribution
Shares in issue at 1 January 2022	225,825	2,146,280	1,317,154	7,710,654
Shares issued during the financial year	–	75,818	355,154	587,833
Shares redeemed during financial year	(65,999)	(285,009)	(292,069)	(2,413,920)
Shares in issue at 31 December 2022	159,826	1,937,089	1,380,239	5,884,567
Shares in issue at 31 December 2021	225,825	2,146,280	1,317,154	7,710,654

Japan Value Fund continued	31 December 2022			
	Shares Number Class R EUR Distribution	Shares Number Class R GBP Distribution	Shares Number Class R JPY Distribution	Shares Number Class R USD Distribution
Shares in issue at 1 January 2022	49,771	3,075	4,406,425	243,833
Shares issued during the financial year	56,184	23,967	15,000	–
Shares redeemed during financial year	–	(24,467)	(532,164)	(61,407)
Shares in issue at 31 December 2022	105,955	2,575	3,889,261	182,426
Shares in issue at 31 December 2021	49,771	3,075	4,406,425	243,833

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022			
Japan Value Fund continued	**Shares Number Class S Hedged CHF Distribution**	**Shares Number Class S Hedged EUR Distribution**	**Shares Number Class S Hedged GBP Distribution**	**Shares Number Class S Hedged USD Distribution**
Shares in issue at 1 January 2022	195,757	1,704,815	6,044,264	5,252,869
Shares issued during the financial year	–	107,215	257,413	57,348
Shares redeemed during financial year	(83,284)	(875,291)	(1,025,516)	(1,202,287)
Shares in issue at 31 December 2022	112,473	936,739	5,276,161	4,107,930
Shares in issue at 31 December 2021	195,757	1,704,815	6,044,264	5,252,869

	31 December 2022			
Japan Value Fund continued	**Shares Number Class S EUR Distribution**	**Shares Number Class S JPY Distribution**	**Shares Number Class S GBP Distribution**	**Shares Number Class S USD Distribution**
Shares in issue at 1 January 2022	5,964,902	11,451,031	25,786,556	5,504,889
Shares issued during the financial year	1,169,919	444,940	11,399,665	–
Shares redeemed during financial year	(6,969,919)	(1,318,438)	(4,585,083)	(189,904)
Shares in issue at 31 December 2022	164,902	10,577,533	32,601,138	5,314,985
Shares in issue at 31 December 2021	5,964,902	11,451,031	25,786,556	5,504,889

	31 December 2022			
North American Fund	**Shares Number Class I EUR Distribution**	**Shares Number Class I Hedged EUR Distribution**	**Shares Number Class I Hedged GBP Distribution**	**Shares Number Class I Hedged CHF Distribution**
Shares in issue at 1 January 2022	9,953	2,379,639	1,473,279	105,810
Shares issued during the financial year	3,061	449,574	170,989	21,980
Shares redeemed during financial year	(2,992)	(2,488,833)	(559,625)	(65,477)
Shares in issue at 31 December 2022	10,022	340,380	1,084,643	62,313
Shares in issue at 31 December 2021	9,953	2,379,639	1,473,279	105,810

	31 December 2022			
North American Fund continued	**Shares Number Class I GBP Distribution**	**Shares Number Class I USD Distribution**	**Shares Number Class R EUR Distribution**	**Shares Number Class R Hedged EUR Distribution**
Shares in issue at 1 January 2022	4,114,975	10,749,027	156,781	194,085
Shares issued during the financial year	296,984	1,653,920	32,391	1,338,562
Shares redeemed during financial year	(1,296,528)	(2,956,438)	(137,118)	(136,561)
Shares in issue at 31 December 2022	3,115,431	9,446,509	52,054	1,396,086
Shares in issue at 31 December 2021	4,114,975	10,749,027	156,781	194,085

North American Fund continued	31 December 2022			
	Shares Number Class R Hedged GBP Distribution	Shares Number Class R GBP Distribution	Shares Number Class R USD Distribution	Shares Number Class S EUR Distribution
Shares in issue at 1 January 2022	48,795	20,888	1,583,047	37,680
Shares issued during the financial year	1,860	2,479	112,554	11,046
Shares redeemed during financial year	(11,773)	(1,060)	(1,055,029)	(4,015)
Shares in issue at 31 December 2022	38,882	22,307	640,572	44,711
Shares in issue at 31 December 2021	48,795	20,888	1,583,047	37,680

North American Fund continued	31 December 2022			
	Shares Number Class S Hedged EUR Distribution	Shares Number Class S Hedged GBP Distribution	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
Shares in issue at 1 January 2022	21,412	616,053	7,248,224	3,063,920
Shares issued during the financial year	–	29,227	191,087	123,669
Shares redeemed during financial year	(62)	(108,184)	(1,304,352)	(139,969)
Shares in issue at 31 December 2022	21,350	537,096	6,134,959	3,047,620
Shares in issue at 31 December 2021	21,412	616,053	7,248,224	3,063,920

Smart Energy Fund	31 December 2022			
	Shares Number Class I CHF Accumulation	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I SEK Accumulation
Shares in issue at 1 January 2022	107	560,105	108,411	11
Shares issued during the financial year	5,100	380,553	2,089,878	–
Shares redeemed during financial year	–	(62,732)	(125,671)	–
Shares in issue at 31 December 2022	5,207	877,926	2,072,618	11
Shares in issue at 31 December 2021	107	560,105	108,411	11

Smart Energy Fund continued	31 December 2022			
	Shares Number Class I USD Accumulation	Shares Number Class R CHF Accumulation	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation
Shares in issue at 1 January 2022	1,505,543	307	63,704	135
Shares issued during the financial year	2,315,193	75	50,919	16,512
Shares redeemed during financial year	(54,017)	(265)	(25,809)	–
Shares in issue at 31 December 2022	3,766,719	117	88,814	16,647
Shares in issue at 31 December 2021	1,505,543	307	63,704	135

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

9. Shareholders' Funds continued

Movement in redeemable participating shares in issue during the financial year continued

	31 December 2022	
Smart Energy Fund continued	**Shares Number Class R SEK Accumulation**	**Shares Number Class R USD Accumulation**
Shares in issue at 1 January 2022	11	361,283
Shares issued during the financial year	2,361,002	6,702,022
Shares redeemed during financial year	(238,795)	(840,285)
Shares in issue at 31 December 2022	2,122,218	6,223,020
Shares in issue at 31 December 2021	11	361,283

	31 December 2022			
Smart Mobility Fund	**Shares Number Class I CHF Accumulation**	**Shares Number Class I EUR Accumulation**	**Shares Number Class I GBP Accumulation**	**Shares Number Class I SEK Accumulation**
Shares in issue at 1 January 2022	107	151,516	41,848	11
Shares issued during the financial year	7,850	248,284	476,225	–
Shares redeemed during financial year	–	(22,023)	(106,140)	–
Shares in issue at 31 December 2022	7,957	377,777	411,933	11
Shares in issue at 31 December 2021	107	151,516	41,848	11

	31 December 2022			
Smart Mobility Fund continued	**Shares Number Class I USD Accumulation**	**Shares Number Class R CHF Accumulation**	**Shares Number Class R EUR Accumulation**	**Shares Number Class R GBP Accumulation**
Shares in issue at 1 January 2022	501,800	107	1,904	135
Shares issued during the financial year	482	–	5,537	–
Shares redeemed during financial year	–	–	–	–
Shares in issue at 31 December 2022	502,282	107	7,441	135
Shares in issue at 31 December 2021	501,800	107	1,904	135

Smart Mobility Fund continued	31 December 2022	
	Shares Number Class R SEK Accumulation	Shares Number Class R USD Accumulation
Shares in issue at 1 January 2022	11	100
Shares issued during the financial year	2	–
Shares redeemed during financial year	–	–
Shares in issue at 31 December 2022	13	100
Shares in issue at 31 December 2021	11	100

UK Value Opportunities Fund	31 December 2022			
	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class R GBP Accumulation	Shares Number Class S GBP Accumulation
Shares in issue at 1 January 2022	9,592,295	11,963,814	170,554	16,550,139
Shares issued during the financial year	5,591,393	1,719,329	20,925	3,802,647
Shares redeemed during financial year	(4,794,227)	(5,108,493)	(60,361)	(7,033,978)
Shares in issue at 31 December 2022	10,389,461	8,574,650	131,118	13,318,808
Shares in issue at 31 December 2021	9,592,295	11,963,814	170,554	16,550,139

UK Value Opportunities Fund continued	31 December 2022	
	Shares Number Class S GBP Distribution	Shares Number Class Z GBP Accumulation
Shares in issue at 1 January 2022	72,814,722	4,126,850
Shares issued during the financial year	13,894,880	–
Shares redeemed during financial year	(30,645,928)	(4,126,750)
Shares in issue at 31 December 2022	56,063,674	100
Shares in issue at 31 December 2021	72,814,722	4,126,850

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

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 polices 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 Manager will use its best endeavors 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 ("CFDs") 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 to the Company's prospectus 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 Manager monitors the Funds' positions on a daily basis and reports regularly to the Board of Directors. The Board reviews the information on each Fund's overall market exposure provided by the Investment Manager at its periodic meetings.

In addition, the Investment Managers manages 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 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, and before it was fully redeemed on 15 May 2020, the UK Absolute Equity Fund, the Investment Manager has 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 2022, market price risks applying to each Fund are affected by two main components: changes in market prices and currency exchange rates.

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 2022 and 31 December 2021.

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	15.13
Asian Stars Fund I USD Accumulation	US$	13.80	(10)	12.47
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	41.88
Biotechnology Fund Class I US Dollar Distribution	US$	38.17	(10)	34.46
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	16.75
Financial Opportunities Fund Class I US Dollar Accumulation	US$	15.30	(10)	13.85
Global Absolute Return Fund I USD Accumulation	US$	131.06	10	132.74
Global Absolute Return Fund I USD Accumulation	US$	131.06	(10)	129.89
Global Convertible Fund Class I US Dollar Accumulation	US$	13.48	10	14.35
Global Convertible Fund Class I US Dollar Accumulation	US$	13.48	(10)	12.67
Global Technology Fund Class I US Dollar Distribution	US$	58.51	10	64.11
Global Technology Fund Class I US Dollar Distribution	US$	58.51	(10)	52.98
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US$	18.48	10	20.27
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	34.75
North American Fund Class I US Dollar Distribution	US$	31.76	(10)	28.77
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

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

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	3.14
Income Opportunities Fund B2 Sterling Accumulation	GBP	2.98	(10)	2.82
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	11.99	10	13.13
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	11.99	(10)	10.85

As at 31 December 2022		NAV ¥/share 31 December 2022	% Increase/ (decrease) price levels	NAV ¥/share after price impact
Japan Value Fund Class S Japanese Yen Distribution	JPY	305.64	10	335.85
Japan Value Fund Class S Japanese Yen Distribution	JPY	305.64	(10)	275.43

As at 31 December 2021		NAV US$/share 31 December 2021	% Increase/ (decrease) price levels	NAV US$/share after price impact
Asian Opportunities Fund Class I US Dollar Distribution	US$	0.00	10	0.00
Asian Opportunities Fund Class I US Dollar Distribution	US$	0.00	(10)	0.00
Asian Stars Fund I USD Accumulation	US$	18.79	10	20.66
Asian Stars Fund I USD Accumulation	US$	18.79	(10)	16.92
Automation & AI Fund – I USD Accumulation	US$	20.80	10	22.84
Automation & AI Fund- I USD Accumulation	US$	20.80	(10)	18.76
Biotechnology Fund Class I US Dollar Distribution	US$	41.11	10	45.22
Biotechnology Fund Class I US Dollar Distribution	US$	41.11	(10)	37.00
China Stars Fund I USD Accumulation	US$	13.96	10	15.29
China Stars Fund I USD Accumulation	US$	13.96	(10)	12.63
Emerging Markets Income Fund Class I US Dollar Accumulation	US$	0.00	10	0.00
Emerging Markets Income Fund Class I US Dollar Accumulation	US$	0.00	(10)	0.00
Emerging Market Stars Fund I USD Accumulation	US$	15.05	10	16.53
Emerging Market Stars Fund I USD Accumulation	US$	15.05	(10)	13.57
Financial Opportunities Fund Class I US Dollar Accumulation	US$	17.59	10	19.24
Financial Opportunities Fund Class I US Dollar Accumulation	US$	17.59	(10)	15.94
Global Absolute Return Fund I USD Accumulation	US$	130.79	10	133.51
Global Absolute Return Fund I USD Accumulation	US$	130.79	(10)	128.54

As at 31 December 2021		NAV US$/share 31 December 2021	% Increase/ (decrease) price levels	NAV US$/share after price impact
Global Convertible Fund Class I US Dollar Accumulation	US$	16.10	10	16.78
Global Convertible Fund Class I US Dollar Accumulation	US$	16.10	(10)	15.49
Global Technology Fund Class I US Dollar Distribution	US$	96.45	10	106.15
Global Technology Fund Class I US Dollar Distribution	US$	96.45	(10)	87.41
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US$	19.62	10	21.50
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US$	19.62	(10)	17.74
Healthcare Discovery Fund Class I US Dollar Accumulation	US$	15.47	10	16.95
Healthcare Discovery Fund Class I US Dollar Accumulation	US$	15.47	(10)	13.99
Healthcare Opportunities Fund Class I US Dollar Distribution	US$	70.39	10	77.19
Healthcare Opportunities Fund Class I US Dollar Distribution	US$	70.39	(10)	63.59

As at 31 December 2021		NAV US$/share 31 December 2021	% Increase/ (decrease) price levels	NAV US$/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 2021		NAV €/share 31 December 2021	% Increase/ (decrease) price levels	NAV €/share after price impact
European (ex UK) Income Fund Class I Euro Accumulation	EUR	13.66	10	15.01
European (ex UK) Income Fund Class I Euro Accumulation	EUR	13.66	(10)	12.31

As at 31 December 2021		NAV £/share 31 December 2021	% Increase/ (decrease) price levels	NAV £/share after price impact
Global Insurance Fund Class I Sterling Accumulation	GBP	8.27	10	9.10
Global Insurance Fund Class I Sterling Accumulation	GBP	8.27	(10)	7.44
Income Opportunities Fund B2 Sterling Accumulation	GBP	2.85	10	3.03
Income Opportunities Fund B2 Sterling Accumulation	GBP	2.85	(10)	2.67
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	14.64	10	16.07
UK Value Opportunities Fund Class I Sterling Accumulation	GBP	14.64	(10)	13.21

As at 31 December 2021		NAV ¥/share 31 December 2021	% Increase/ (decrease) price levels	NAV ¥/share after price impact
Japan Value Fund Class S Japanese Yen Distribution	JPY	275.45	10	302.90
Japan Value Fund Class S Japanese Yen Distribution	JPY	275.45	(10)	247.99

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

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 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 1.79%.

The maximum VaR during the financial year was 10.62%. The average VaR during the financial year was 3.50%.

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 active during the financial year 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 Sub- Funds in respect of the values of share classes in the Funds 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.

At 31 December 2022 each Fund's currency exposure was as follows:

Asian Stars 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	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
	120,206,790	(31)	720,924	–	127,822,381

Automation & Artificial Intelligence	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$
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

Biotechnology 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$
Danish krone	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)		51,374,827	455,370,844

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

China Stars 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$
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

Emerging Markets Income 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$
Brazil real	–	–	20	–	20
Kuwait dinar	–	–	1	–	1
Malaysian ringgit	–	–	636	–	636
	–	–	657	–	657

Emerging Markets Stars 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	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)	(464)	6,609,164	282,163,284
Indian rupee	182,322,179	(3,793,716)	3,341,070	–	181,869,533
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

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

Global Absolute Return 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	–	–	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

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

Global Convertible 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	–	–	(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

Global Insurance 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
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	41,302,576	2,241,829,999

Global Technology 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$
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

Healthcare Blue Chip 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$
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

Healthcare Discovery 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$
Danish krone	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

Healthcare 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$
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

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

Income 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	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

Japan Value Fund	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

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)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

At 31 December 2021 each Fund's currency exposure was as follows:

Asian 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$
Euro	–	–	(33)	–	(33)
Sterling	–	–	227	–	227
	–	–	194	–	194

Asian Stars 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	2,889,828	–	–	–	2,889,828
China yuan	5,992,512	–	–	–	5,992,512
Euro	–	(50)	(86)	–	(136)
Hong Kong dollar	41,139,932	–	–	(84,771)	41,055,161
Indian rupee	32,507,809	–	80,254	–	32,588,063
Japanese yen	2,705,189	–	–	–	2,705,189
Korean won	33,942,218	–	–	–	33,942,218
Singapore dollar	–	–	8	–	8
Sterling	–	(1)	(741)	–	(742)
Taiwan dollar	32,681,035	–	–	–	32,681,035
Vietnamese dong	5,398,859	–	592,176	–	5,991,035
	157,257,382	(51)	671,611	(84,771)	157,844,171

Automation & Artificial Intelligence	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$
Euro	74,264,021	(17)	(19,613)	–	74,244,391
Hong Kong dollar	15,576,145	–	–	–	15,576,145
Japanese yen	128,357,123	(5,296)	(6,149,875)	–	122,201,952
Korean won	8,667,737	–	–	–	8,667,737
Sterling	22,438,363	–	396,340	–	22,834,703
Swedish krona	43,676,459	–	–	–	43,676,459
Swiss franc	7,394,559	–	–	2,190	7,396,749
Taiwan dollar	50,541,644	–	–	–	50,541,644
	350,916,051	(5,313)	(5,773,148)	2,190	345,139,780

Biotechnology 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$
Danish kroner	93,052,635	(398)	–	–	93,052,237
Euro	216,700,492	(10,446)	(1,116,427)	9,444	215,583,063
Sterling	210,353,497	–	(757,461)	153,066,756	362,662,792
Swedish krona	9,344,091	–	–	–	9,344,091
Swiss franc	–	–	–	4,781	4,781
	529,450,715	(10,844)	(1,873,888)	153,080,981	680,646,964

China Stars 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$
China yuan	4,768,799	–	269,778	–	5,038,577
Euro	326,780	(151)	(175,400)	–	151,229
Hong Kong dollar	9,822,971	(4,206)	–	4,206	9,822,971
Sterling	–	–	33,017	–	33,017
Swiss franc	–	–	–	44	44
Taiwan dollar	761,606	–	243,721	–	1,005,327
Vietnamese dong	–	–	122,861	–	122,861
	15,680,156	(4,357)	493,977	4,250	16,174,026

Emerging Markets Income 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$
Brazil real	–	–	(35,649)	–	(35,649)
Euro	–	–	2,163	–	2,163
Kuwait dinar	–	–	1	–	1
Malaysian ringgit	–	–	672	–	672
Sterling	–	–	6,143	–	6,143
	–	–	(26,670)	–	(26,670)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

Emerging Markets Stars 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	–	–	4	–	4
Brazil real	11,581,637	(15,532)	8,607	–	11,574,712
Canadian dollar	39,395,839	–	–	–	39,395,839
China yuan	32,147,814	–	–	–	32,147,814
Euro	–	(6)	(643)	–	(649)
Hong Kong dollar	282,840,188	–	616,830	(617,295)	282,839,723
Indian rupee	238,706,970	–	5,685	–	238,712,655
Korean won	241,244,389	–	174	–	241,244,563
Mexican peso	–	–	172	–	172
Polish zloty	–	–	(207)	–	(207)
Sri Lanka rupee	–	–	20,582	–	20,582
South African rand	–	(2)	(458)	–	(460)
Sterling	–	(56)	176,295	(87,936)	88,303
Swedish krona	–	(9)	(3,147)	–	(3,156)
Swiss franc	–	–	–	3,680	3,680
Taiwan dollar	234,072,890	–	20,816	–	234,093,706
Vietnamese dong	36,024,865	–	3,618,398	–	39,643,263
	1,116,014,592	(15,605)	4,463,108	(701,551)	1,119,760,544

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	3,401,857	–	–	–	3,401,857
Sterling	–	(136)	(4,429,470)	5,456,203	1,026,597
Swedish krona	7,182,346	–	–	–	7,182,346
Swiss franc	23,235,721	–	–	(1,679,816)	21,555,905
United States dollar	–	–	1,991	–	1,991
	33,819,924	(136)	(4,427,479)	3,776,387	33,168,696

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	214,447	–	–	–	214,447
Brazil real	–	–	8	–	8
Canadian dollar	657,666	–	–	–	657,666
Euro	2,058,156	(18)	12,771	–	2,070,909
Hong Kong dollar	753,894	–	–	–	753,894
Indian rupee	681,576	–	30,179	–	711,755
Indonesian rupiah	643,667	–	–	–	643,667
Japanese yen	482,795	–	–	–	482,795
Korean won	241,150	–	–	–	241,150
Mexican peso	194,996	–	–	–	194,996
Singapore dollar	253,681	–	182	–	253,863
Sterling	2,461,168	(97)	(63,576)	–	2,397,495
Swedish krona	628,678	–	–	–	628,678
Swiss franc	549,898	(45)	29,713	63	579,629
Taiwan dollar	211,090	–	85,506	–	296,596
Thai baht	536,269	–	–	–	536,269
Vietnamese dong	251,356	–	3,003	–	254,359
	10,820,487	(160)	97,786	63	10,918,176

Global Absolute Return 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	–	(23)	92,152	–	92,129
Euro	10,499,218	(4,710,684)	(2,730,107)	2,560,729	5,619,156
Hong Kong dollar	1,494,299	(1,526)	(1,025,095)	–	467,678
Japanese yen	2,246,320	(4)	(1,592,353)	–	653,963
Sterling	7,548,037	(4,282,693)	2,812,242	38,784,430	44,862,016
Swedish krona	–	–	(1,143)	–	(1,143)
Swiss franc	2,092,955	–	(1,720,077)	–	372,878
	23,880,829	(8,994,930)	(4,164,381)	41,345,159	52,066,677

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

Global Convertible 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	–	–	(29,960)	–	(29,960)
Canadian dollar	–	–	(39,832)	–	(39,832)
Euro	185,052,482	(73,163,749)	(93,800,741)	(29,815,015)	(11,727,023)
Hong Kong dollar	16,220,563	–	(51,828)	–	16,168,735
Israel shekel	1,482,606	–	–	–	1,482,606
Japanese yen	45,046,894	(11,526,204)	(17,787,675)	(11,919,549)	3,813,466
Singapore dollar	–	–	(62,991)	–	(62,991)
South African rand	–	–	(1,436)	–	(1,436)
Sterling	58,112,836	(29,165,352)	(4,491,852)	275,311,335	299,766,967
Swiss franc	42,906,135	–	1,809,657	1,069,586	45,785,378
	348,821,516	(113,855,305)	(114,456,658)	234,646,357	355,155,910

Global Insurance 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
Canadian dollar	150,331,595	–	–	–	150,331,595
Euro	23,712,449	(40)	61,533	11,822,290	35,596,232
Hong Kong dollar	34,090,743	–	–	–	34,090,743
Swiss franc	–	–	–	4,728	4,728
United States dollar	1,294,092,004	–	(9,113,956)	(1,014,109)	1,283,963,939
	1,502,226,791	(40)	(9,052,423)	10,812,909	1,503,987,237

Global Technology 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$
Euro	345,123,064	(1,854)	(937,293)	471,073,458	815,257,375
Hong Kong dollar	173,550,138	–	–	–	173,550,138
Indian rupee	–	–	3,260	–	3,260
Japanese yen	297,320,942	(1)	1,837	–	297,322,778
Korean won	218,476,136	–	–	–	218,476,136
Sterling	–	(1,181)	(458,715)	255,411,134	254,951,238
Swiss franc	–	(4)	(23,958)	160,906,586	160,882,624
Taiwan dollar	425,727,355	–	–	–	425,727,355
	1,460,197,635	(3,040)	(1,414,869)	887,391,178	2,346,170,904

Healthcare Blue Chip 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	2,625,560	–	–	–	2,625,560
Danish kroner	2,757,373	–	–	–	2,757,373
Euro	10,331,592	(53)	201	–	10,331,740
Sterling	5,502,479	(2)	136,759	2,391	5,641,627
Swiss franc	3,067,007	–	–	(1,243,479)	1,823,528
	24,284,011	(55)	136,960	(1,241,088)	23,179,828

Healthcare Discovery 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$
Danish kroner	2,223,265	–	–	–	2,223,265
Euro	6,628,302	–	26	–	6,628,328
Hungary forint	1,542,589	–	–	–	1,542,589
Indian rupee	1,749,053	–	401	–	1,749,454
Japanese yen	2,095,292	–	–	–	2,095,292
Sterling	1,407,556	(10)	–	–	1,407,546
Swiss franc	–	–	–	198	198
	15,646,057	(10)	427	198	15,646,672

Healthcare 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$
Danish kroner	116,666,111	–	–	–	116,666,111
Euro	157,589,654	(89)	(52,623)	4,179,962	161,716,904
Hungary forint	36,064,815	–	–	–	36,064,815
Indian rupee	100,195,539	–	25,637,061	–	125,832,600
Japanese yen	68,244,649	–	409	–	68,245,058
Sterling	114,501,038	(1,309)	(35,217)	–	114,464,512
Swiss franc	54,684,591	(3)	1,695	5,577	54,691,860
	647,946,397	(1,401)	25,551,325	4,185,539	677,681,860

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

Income 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
Canadian dollar	1,133,690	–	–	–	1,133,690
Euro	7,871,341	(401,435)	823,248	1,823,080	10,116,234
Hong Kong dollar	584,079	–	–	–	584,079
Korean won	563,994	–	–	–	563,994
Norwegian krone	873,246	–	–	–	873,246
Singapore dollar	2,044,056	–	–	–	2,044,056
Swedish krona	1,433,005	–	–	–	1,433,005
Swiss franc	798,310	–	–	165	798,475
Thai baht	860,375	–	–	–	860,375
United States dollar	15,773,490	(16,418)	(115,525)	16,610,535	32,252,082
	31,935,586	(417,853)	707,723	18,433,780	50,659,236

Japan Value Fund	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	–	(1,125)	(1,656,786)	1,149,799,136	1,148,141,225
Sterling	–	(6,255)	(6,202,712)	2,203,047,416	2,196,838,449
Swiss franc	–	–	–	563,984,185	563,984,185
United States dollar	–	(19,320)	(23,170,781)	4,897,343,752	4,874,153,651
	–	(26,700)	(31,030,279)	8,814,174,489	8,783,117,510

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	64,138,477	–	–	–	64,138,477
Euro	–	(652)	(2,013,830)	98,050,906	96,036,424
Hong Kong dollar	14,620,554	–	–	–	14,620,554
Mexican peso	11,719,029	–	–	–	11,719,029
Sterling	–	(28)	138,161	97,475,132	97,613,265
Swiss franc	–	(5)	(22,007)	2,121,591	2,099,579
	90,478,060	(685)	(1,897,676)	197,647,629	286,227,328

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$
Canadian dollar	182,377	–	–	–	182,377
Danish kroner	153,052	–	–	–	153,052
Euro	6,844,551	(552,674)	(84,575)	636,980	6,844,282
Japanese yen	3,322,948	(172,454)	–	172,454	3,322,948
Norwegian krone	788,905	(257,641)	–	257,641	788,905
Sterling	160,096	(2)	(1)	–	160,093
Swedish krona	347,394	(60,550)	–	60,550	347,394
Swiss franc	593,094	(49,804)	–	49,804	593,094
Taiwan dollar	730,292	(46,690)	–	–	683,602
	13,122,709	(1,139,815)	(84,576)	1,177,429	13,075,747

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$
Euro	1,615,559	(1)	–	–	1,615,558
Hong Kong dollar	102,587	–	–	–	102,587
Japanese yen	1,215,011	(49,180)	–	49,180	1,215,011
Korean won	188,654	–	–	–	188,654
Norwegian krone	51,745	–	–	–	51,745
Sterling	53,366	(11)	–	–	53,355
Swiss franc	398,211	–	–	–	398,211
Taiwan dollar	300,752	–	–	–	300,752
	3,925,885	(49,192)	–	49,180	3,925,873

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	–	(1)	1,251	–	1,250
United States dollar	–	(42)	(49,725)	–	(49,767)
	–	(43)	(48,474)	–	(48,517)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Currency risk continued

If the exchange rate at 31 December 2022 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 2022	Net Non-USD Currency Assets US$	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease US$
Asian Opportunities Fund	–	5	+/-
Asian Stars Fund	127,822,381	5	+/- 6,391,119
Automation & Artificial Intelligence Fund	159,665,867	5	+/- 7,983,293
Biotechnology Fund	455,370,844	5	+/- 22,768,542
China Stars Fund	15,783,425	5	+/- 789,171
Emerging Markets Income Fund	657	5	+/- 33
Emerging Market Stars Fund	977,967,616	5	+/- 48,898,381
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

As at 31 December 2022	Net Non-JPY Currency Assets JPY	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease JPY
Japan Value Fund	8,661,016,869	5	+/- 433,050,843

As at 31 December 2022	Net Non-GBP Currency Assets GBP	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease GBP
Global Insurance Fund	2,241,829,999	5	+/- 112,091,500
Income Opportunities Fund	37,843,542	5	+/- 1,892,177
UK Value Opportunities	(60,265)	5	+/- 3,013

As at 31 December 2022	Net Non-EUR Currency Assets EUR	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease EUR
European ex UK Income Fund	34,159,499	5	+/- 1,707,975

As at 31 December 2021	Net Non-USD Currency Assets US$	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease US$
Asian Opportunities Fund	194	5	+/- 10
Asian Stars Fund	157,844,171	5	+/- 7,892,209
Automation & Artificial Intelligence Fund	345,139,780	5	+/- 17,256,989
Biotechnology Fund	680,646,964	5	+/- 34,032,348
China Stars Fund	16,174,026	5	+/- 808,701
Emerging Markets Income Fund	(26,670)	5	+/- -1,334
Emerging Market Stars Fund	1,119,760,544	5	+/- 55,988,027
Financial Opportunities Fund	10,918,176	5	+/- 545,909
Global Absolute Return Fund	52,066,677	5	+/- 2,603,334
Global Convertible Fund	355,155,910	5	+/- 17,757,796
Global Technology Fund	2,346,170,904	5	+/- 117,308,545
Healthcare Blue Chip Fund	23,179,828	5	+/- 1,158,991
Healthcare Discovery Fund	15,646,674	5	+/- 782,334
Healthcare Opportunities Fund	511,032,060	5	+/- 25,551,603
North American Fund	286,227,328	5	+/- 14,311,366
Smart Energy Fund	13,075,747	5	+/- 653,787
Smart Mobility Fund	3,925,873	5	+/- 196,294

As at 31 December 2021	Net Non-JPY Currency Assets JPY	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease JPY
Japan Value Fund	8,783,117,510	5	+/- 439,155,876

As at 31 December 2021	Net Non-GBP Currency Assets GBP	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease GBP
Global Insurance Fund	1,503,987,237	5	+/- 75,199,362
Income Opportunities Fund	50,659,236	5	+/- 2,532,962
UK Value Opportunities	(48,517)	5	+/- 2,426

As at 31 December 2021	Net Non-EUR Currency Assets EUR	% Increase/ (decrease) in exchange rate	Effect of increase/ decrease EUR
European ex UK Income Fund	33,168,696	5	+/- 1,658,435

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

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 Global Absolute Return Fund, Global Convertible Fund and Income Opportunities 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.

Global Absolute Return Fund

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)
Total	(3,621,354)	6,158,887	85,407,227	20,789,816	108,734,576

31 December 2021	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	–	–	43,387,631	32,055,205	75,442,836
Cash at bank	(5,477,225)	–	–	–	(5,477,225)
Margin cash	–	–	–	711,785	711,785
Other debtors	–	–	–	143,895	143,895
Financial derivative instruments	–	–	(459,827)	466,815	6,988
Fees and sundry creditors payable	–	–	–	(502,895)	(502,895)
Total	(5,477,225)	–	42,927,804	32,874,805	70,325,384

As at 31 December 2022, 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 0.45% (31 December 2021: 0.53%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.45% (31 December 2021: 0.52%).

Global Convertible Fund

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	–	536,141	5,841,317	(8,875,773)	(2,498,315)
Fees and sundry creditors payable	–	–	–	(1,892,848)	(1,892,848)
Total	(24,027,850)	16,433,332	644,123,194	111,387,671	747,916,347

31 December 2021	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	–	35,325,870	591,513,095	485,349,628	1,112,188,593
Amounts receivable on sale of redeemable participating shares	–	–	–	661,143	661,143
Cash at bank	(52,292,724)	–	–	–	(52,292,724)
Other debtors	–	–	–	2,957,064	2,957,064
Financial derivative instruments	–	–	(4,598,265)	10,169,067	5,570,802
Fees and sundry creditors payable	–	–	–	(2,180,472)	(2,180,472)
Total	(52,292,724)	35,325,870	586,914,830	496,956,430	1,066,904,406

As at 31 December 2022 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 0.64% (31 December 2021: 0.38%). 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 0.63% (31 December 2021: 0.38%).

Income Opportunities Fund

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)
Total	2,097,956	53,252	3,908,601	43,728,144	49,787,953

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Interest rate risk continued

31 December 2021	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	1,285,639	1,018,325	4,297,311	42,414,010	49,015,285
Amounts receivable on sale of redeemable participating shares	–	–	–	12,750	12,750
Cash at bank	9,817,635	–	–	–	9,817,635
Margin cash	–	–	–	97,949	97,949
Other debtors	–	–	–	213,083	213,083
Financial derivative instruments	–	–	–	(417,735)	(417,735)
Fees and sundry creditors payable	–	–	–	(686,268)	(686,268)
Total	11,103,274	1,018,325	4,297,311	41,633,789	58,052,699

As at 31 December 2022, 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 0.29% (31 December 2021: 0.07%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.28% (31 December 2021: 0.05%).

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 2022 and 31 December 2021.

	31 December 2022		31 December 2021	
Global Absolute Return Fund	**% Holding**	**Value US$**	**% Holding**	**Value US$**
BBB	–	–	2.37%	1,786,875
NR	100.00%	107,123,965	97.63%	73,655,961
Total	100.00%	107,123,965	100.00%	75,442,836

	31 December 2022		31 December 2021	
Global Convertible Fund	**% Holding**	**Value US$**	**% Holding**	**Value US$**
A-	3.66%	27,250,281	–	–
BBB+	1.43%	10,697,404	0.63%	5,305,500
BBB	1.67%	12,411,250	1.10%	9,202,204
BBB-	1.73%	12,914,050	–	–
BB+	–	–	2.23%	18,638,438
NR	91.51%	681,730,011	96.04%	803,720,859
Total	100.00%	745,002,996	100.00%	836,867,001

	31 December 2022		31 December 2021	
Income Opportunities Fund	**% Holding**	**Value GBP**	**% Holding**	**Value GBP**
AAA	–	–	12.45%	1,480,395
AA+	–	–	11.47%	1,363,730
BBB+	6.29%	1,280,410	–	–
BBB	5.72%	1,163,725	–	–
BBB-	5.23%	1,063,887	–	–
BB+	9.22%	1,876,208	–	–
BB	5.26%	1,070,277	–	–
B+	10.30%	2,097,765	–	–
B	4.09%	832,868	–	–
NR	53.89%	10,970,098	76.08%	9,045,139
Total	100.00%	20,355,238	100.00%	11,889,294

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 Depositary 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 Depositary. 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 or the Depositary 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 2022 and 31 December 2021, 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 Depositary is responsible for the safe-keeping of assets. The Depositary has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both the Depositary and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at 31 December 2022, NTC had a long-term credit rating from Standard & Poor's of A+ (31 December 2021: A+).

TNTC, in the discharge of its delegated depositary 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, Depositary and NTC.

In addition, TNTC, as banker, holds cash of the Funds on deposit. Such cash is held on the balance sheet of TNTC. In the event of the insolvency of TNTC, in accordance with standard banking practice, the Funds will rank as an unsecured creditor of TNTC in respect of any cash deposits.

The Insolvency of the Depositary and or one of its agents or affiliates may cause the Fund's rights with respect to their assets to be delayed or may result in the Funds not receiving the full value of their assets.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Credit risk statement continued

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 2022 cash was held with counterparties and brokers as follows:

China Stars: US$ Nil (31 December 2021: US$6,461)

Global Absolute Return Fund: US$1,754,196 (31 December 2021: US$711,785)

Global Convertible Fund: US$6,226,037 (31 December 2021: US$ Nil)

Global Technology Fund: GBP Nil (31 December 2021: GBP14,322,512)

Healthcare Opportunities Fund: US$ Nil (31 December 2021: US$100)

Income Opportunities Fund GBP741,899 (31 December 2021: GBP97,949)

UK Value Opportunities Fund: GBP Nil (31 December 2021: GBP(2))

The Funds' counterparties and brokers had the following long-term credit ratings from Standard & Poor's as at 31 December 2022:

Credit Suisse Securities (Europe) Limited: A- (31 December 2021: A+)

UBS AG: A+ (31 December 2021: 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 Manager monitors the Funds' liquidity on a daily basis and report regularly to the Board of Directors, which reviews the information provided by the Investment Manager 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 2022 and 31 December 2021, 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.

Global Absolute Return Fund	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$	
Assets						
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)	–	–
Total	7,873,312	–	7,873,312	(6,066,113)	–	1,807,199
Liabilities						
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)
Total	(8,258,578)	–	(8,258,578)	6,066,113	–	(2,192,465)

Global Absolute Return Fund	Gross amounts of recognised assets 2021 US$	Gross amounts offset in the statement of financial position 2021 US$	Net amount presented on the statement of financial position 2021 US$	Related amounts not set off in the Statement of Financial Position		Net amounts 2021 US$
				Financial instruments 2021 US$	Cash collateral pledged/ received 2021 US$	
Assets						
Contracts for difference	339,352	–	339,352	(339,352)	–	–
Forward foreign currency contracts	938,585	–	938,585	(393)	–	938,192
Total	1,277,937	–	1,277,937	(339,745)	–	938,192
Liabilities						
Contracts for difference	(648,292)	–	(648,292)	339,352	–	(308,940)
Options	(459,827)	–	(459,827)	–	–	(459,827)
Futures contracts	(162,437)	–	(162,437)	–	–	(162,437)
Forward foreign currency contracts	(393)	–	(393)	393	–	–
Total	(1,270,949)	–	(1,270,949)	339,745	–	(931,204)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Offsetting Financial Instruments continued

Global Convertible Fund	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$	
Assets						
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)	–	–
Total	14,490,482	–	14,490,482	(6,652,732)	–	7,837,750
Liabilities						
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)
Total	(16,988,796)	–	(16,988,796)	6,652,732	–	(10,336,064)

Global Convertible Fund	Gross amounts of recognised assets 2021 US$	Gross amounts offset in the statement of financial position 2021 US$	Net amount presented on the statement of financial position 2021 US$	Related amounts not set off in the Statement of Financial Position		Net amounts 2021 US$
				Financial instruments 2021 US$	Cash collateral pledged/ received 2021 US$	
Assets						
Contracts for difference	5,489,745	–	5,489,745	(2,495,459)	–	2,994,286
Futures contracts	1,753,042	–	1,753,042	(900,607)	–	852,435
Forward foreign currency contracts	6,347,293	–	6,347,293	(24,947)	–	6,322,346
Total	13,590,080	–	13,590,080	(3,421,013)	–	10,169,067
Liabilities						
Contracts for difference	(2,495,459)	–	(2,495,459)	2,495,459	–	–
Options	(4,598,265)	–	(4,598,265)	–	–	(4,598,265)
Futures contracts	(900,607)	–	(900,607)	900,607	–	–
Forward foreign currency contracts	(24,947)	–	(24,947)	24,947	–	–
Total	(8,019,278)	–	(8,019,278)	3,421,013	–	(4,598,265)

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.

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 2022

Asian Stars Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	132,258,322	132,258,322	–	–
Total	132,258,322	132,258,322	–	–

Automation & Artificial Intelligence Fund	US$	US$	US$	US$
Assets				
Equity investments	360,442,404	360,442,404	–	–
Total	360,442,404	360,442,404	–	–

Biotechnology Fund	US$	US$	US$	US$
Assets				
Equity investments	1,545,857,592	1,545,857,592	–	–
Forward foreign currency contracts	1,209	–	1,209	–
Total	1,545,858,801	1,545,857,592	1,209	–
Liabilities				
Forward foreign currency contracts	(487,769)	–	(487,769)	–
Total	(487,769)	–	(487,769)	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2022 continued

China Stars Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	17,999,482	17,999,482	–	–
Total	17,999,482	17,999,482	–	–

Emerging Markets Stars Fund	US$	US$	US$	US$
Assets				
Equity investments	1,044,801,205	1,044,801,205	–	–
Total	1,044,801,205	1,044,801,205	–	–

European (ex UK) Income Fund	EUR€	EUR€	EUR€	EUR€
Assets				
Equity investments	119,499,194	119,499,194	–	–
Forward foreign currency contracts	20	–	20	–
Total	119,499,214	119,499,194	20	–
Liabilities				
Forward foreign currency contracts	(19,667)	–	(19,667)	–
Total	(19,667)	–	(19,667)	–

Financial Opportunities Fund	US$	US$	US$	US$
Assets				
Equity investments	18,000,200	18,000,200	–	–
Total	18,000,200	18,000,200	–	–

Global Absolute Return Fund	US$	US$	US$	US$
Assets				
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	–	–
Total	118,795,277	3,855,523	114,939,754	–

Global Absolute Return Fund continued	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Liabilities				
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)	–
Total	(8,258,578)	(13,375)	8,245,203	–

Global Convertible Fund	US$	US$	US$	US$
Assets				
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	–	–
Total	759,493,478	2,530,425	756,963,053	–
Liabilities				
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)	–
Total	(16,988,797)	–	(16,988,796)	–

Global Insurance Fund	GBP£	GBP£	GBP£	GBP£
Assets				
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	–
Total	2,485,025,911	2,469,755,942	15,269,969	–
Liabilities				
Forward foreign currency contracts	(30,987)	–	(30,987)	–
Total	(30,987)	–	(30,987)	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2022 continued

Global Technology Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	3,916,911,831	3,916,911,831	–	–
Options	429,750	429,750	–	–
Forward foreign currency contracts	424,368	–	424,368	–
Total	3,917,765,949	3,917,341,581	424,368	–
Liabilities				
Forward foreign currency contracts	(1,369,124)	–	(1,369,124)	–
Total	(1,369,124)	–	(1,369,124)	–

Healthcare Blue Chip Fund	US$	US$	US$	US$
Assets				
Equity investments	200,547,767	200,547,767	–	–
Forward foreign currency contracts	2	–	2	–
Total	200,547,769	200,547,767	2	–
Liabilities				
Forward foreign currency contracts	(20,801)	–	(20,801)	–
Total	(20,801)	–	(20,801)	–

Healthcare Discovery Fund	US$	US$	US$	US$
Assets				
Equity investments	38,741,602	38,741,602	–	–
Total	38,741,602	38,741,602	–	–

Healthcare Opportunities Fund	US$	US$	US$	US$
Assets				
Equity investments	1,694,676,680	1,694,676,680	–	–
Warrants	30,162	–	30,162	–
Forward foreign currency contracts	14,811	–	14,811	–
Total	1,694,721,653	1,694,676,680	44,973	–
Liabilities				
Forward foreign currency contracts	(28)	–	(28)	–
Total	(28)	–	(28)	–

Income Opportunities Fund	Total GBP£	Level 1 GBP£	Level 2 GBP£	Level 3 GBP£
Assets				
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	–
Total	46,900,292	26,454,255	20,446,037	–

Japan Value Fund	JPY¥	JPY¥	JPY¥	JPY¥
Assets				
Equity investments	24,639,895,200	24,639,895,200	–	–
Forward foreign currency contracts	496,316	–	496,316	–
Total	24,640,391,516	24,639,895,200	496,316	–
Liabilities				
Forward foreign currency contracts	(54,460,906)	–	(54,460,906)	–
Total	(54,460,906)	–	(54,460,906)	–

North American Fund	US$	US$	US$	US$
Assets				
Investment funds	31,333,564	–	31,333,564	–
Equity investments	771,667,979	771,667,979	–	–
Forward foreign currency contracts	109,269	–	109,269	–
Total	803,110,812	771,667,979	31,442,833	–
Liabilities				
Forward foreign currency contracts	(540,203)	–	(540,203)	–
Total	(540,203)	–	(540,203)	–

Smart Energy Fund	US$	US$	US$	US$
Assets				
Equity investments	127,899,403	127,899,403	–	–
Total	127,899,403	127,899,403	–	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2022 continued

Smart Mobility Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	10,354,553	10,354,553	–	–
Total	10,354,553	10,354,553	–	–

UK Value Opportunities Fund	GBP£	GBP£	GBP£	GBP£
Assets				
Equity investments	956,710,281	956,710,281	–	–
Total	956,710,281	956,710,281	–	–

Financial assets and liabilities at fair value through profit or loss as at 31 December 2021

Asian Stars Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	167,959,084	167,959,084	–	–
Total	167,959,084	167,959,084	–	–

Automation & Artificial Intelligence Fund	US$	US$	US$	US$
Assets				
Equity investments	753,389,515	753,389,515	–	–
Forward foreign currency contracts	1,279	–	1,279	–
Total	753,390,794	753,389,515	1,279	–

Biotechnology Fund	US$	US$	US$	US$
Assets				
Equity investments	1,708,169,955	1,708,169,955	–	–
Warrants	3,731,510	–	3,731,510	–
Forward foreign currency contracts	3,649,007	–	3,649,007	–
Total	1,715,550,472	1,708,169,955	7,380,517	–
Liabilities				
Forward foreign currency contracts	(3,664)	–	(3,664)	–
Total	(3,664)	–	(3,664)	–

China Stars Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	19,021,813	19,021,813	–	–
Total	19,021,813	19,021,813	–	–

Emerging Markets Stars Fund	US$	US$	US$	US$
Assets				
Equity investments	1,269,055,378	1,269,055,378	–	–
Forward foreign currency contracts	760	–	760	–
Total	1,269,056,138	1,269,055,378	760	–

European (ex UK) Income Fund	EUR€	EUR€	EUR€	EUR€
Assets				
Equity investments	116,092,509	116,092,509	–	–
Warrants	118,951	–	118,951	–
Forward foreign currency contracts	19,171	–	19,171	–
Total	116,230,631	116,092,509	138,122	–

Financial Opportunities Fund	US$	US$	US$	US$
Assets				
Equity investments	22,023,268	22,023,268	–	–
Forward foreign currency contracts	112	–	112	–
Total	22,023,380	22,023,268	112	–

Global Absolute Return Fund	US$	US$	US$	US$
Assets				
Corporate bonds	75,442,836	–	75,442,836	–
Contracts for difference	339,352	–	339,352	–
Forward foreign currency contracts	938,585	–	938,585	–
Total	76,720,773	–	76,720,773	–
Liabilities				
Contracts for difference	(648,292)	–	(648,292)	–
Options	(459,827)	–	(459,827)	–
Forward foreign currency contracts	(393)	–	(393)	–
Futures contracts	(162,437)	(162,437)	–	–
Total	(1,270,949)	(162,437)	(1,108,512)	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2021 continued

Global Convertible Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Corporate bonds	836,867,001	–	836,867,001	–
Equity investments	275,321,592	275,321,592	–	–
Contracts for difference	5,489,745	–	5,489,745	–
Forward foreign currency contracts	6,347,293	–	6,347,293	–
Futures contracts	1,753,042	1,753,042	–	–
Total	1,125,778,673	277,074,634	848,704,039	–
Liabilities				
Contracts for difference	(2,495,459)	–	(2,495,459)	–
Options	(4,598,265)	–	(4,598,265)	–
Forward foreign currency contracts	(24,947)	–	(24,947)	–
Futures contracts	(900,607)	(900,607)	–	–
Total	(8,019,278)	(900,607)	(7,118,671)	–

Global Insurance Fund	GBP£	GBP£	GBP£	GBP£
Assets				
Investment funds	31,030,208	–	31,030,208	–
Equity investments	1,670,521,872	1,670,521,872	–	–
Forward foreign currency contracts	255	–	255	–
Total	1,701,552,335	1,670,521,872	31,030,463	–
Liabilities				
Forward foreign currency contracts	(222,337)	–	(222,337)	–
Total	(222,337)	–	(222,337)	–

Global Technology Fund	US$	US$	US$	US$
Assets				
Equity investments	8,679,284,866	8,679,284,866	–	–
Options	25,296,625	25,296,625	–	–
Forward foreign currency contracts	11,628,055	–	11,628,055	–
Total	8,716,209,546	8,704,581,491	11,628,055	–
Liabilities				
Forward foreign currency contracts	(624,035)	–	(624,035)	–
Total	(624,035)	–	(624,035)	–

Healthcare Blue Chip Fund	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Equity investments	111,068,496	111,068,496	–	–
Forward foreign currency contracts	7,345	–	7,345	–
Total	111,075,841	111,068,496	7,345	–
Liabilities				
Forward foreign currency contracts	(930)	–	(930)	–
Total	(930)	–	(930)	–

Healthcare Discovery Fund	US$	US$	US$	US$
Assets				
Equity investments	69,379,995	69,379,995	–	–
Forward foreign currency contracts	1	–	1	–
Total	69,379,996	69,379,995	1	–
Liabilities				
Forward foreign currency contracts	(1)	–	(1)	–
Total	(1)	–	(1)	–

Healthcare Opportunities Fund	US$	US$	US$	US$
Assets				
Equity investments	2,066,481,371	2,066,481,371	–	–
Forward foreign currency contracts	52,093	–	52,093	–
Total	2,066,533,464	2,066,481,371	52,093	–
Liabilities				
Forward foreign currency contracts	(21,350)	–	(21,350)	–
Total	(21,350)	–	(21,350)	–

Income Opportunities Fund	GBP£	GBP£	GBP£	GBP£
Assets				
Corporate bonds	9,045,139	–	9,045,139	–
Equity investments	37,125,991	37,125,991	–	–
Futures contracts	25,852	25,852	–	–
Government Bonds	2,844,155	–	2,844,155	–
Total	49,041,137	37,151,843	11,889,294	–
Liabilities				
Forward foreign currency contracts	(443,587)	–	(443,587)	–
Total	(443,587)	–	(443,587)	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

10. Financial Risk Management continued

Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2021 continued

Japan Value Fund	Total JPY¥	Level 1 JPY¥	Level 2 JPY¥	Level 3 JPY¥
Assets				
Equity investments	23,411,300,300	23,411,300,300	–	–
Forward foreign currency contracts	187,441,853	–	187,441,853	–
Total	23,598,742,153	23,411,300,300	187,441,853	–
Liabilities				
Forward foreign currency contracts	(4,935,705)	–	(4,935,705)	–
Total	(4,935,705)	–	(4,935,705)	–

North American Fund	US$	US$	US$	US$
Assets				
Equity investments	1,219,739,666	1,219,739,666	–	–
Forward foreign currency contracts	3,015,040	–	3,015,040	–
Total	1,222,754,706	1,219,739,666	3,015,040	–
Liabilities				
Forward foreign currency contracts	(18,954)	–	(18,954)	–
Total	(18,954)	–	(18,954)	–

Smart Energy Fund	US$	US$	US$	US$
Assets				
Equity investments	27,537,578	27,537,578	–	–
Total	27,537,578	27,537,578	–	–

Smart Mobility Fund	US$	US$	US$	US$
Assets				
Equity investments	7,341,000	7,341,000	–	–
Total	7,341,000	7,341,000	–	–

UK Value Opportunities Fund	GBP£	GBP£	GBP£	GBP£
Assets				
Equity investments	1,568,275,932	1,568,275,932	–	–
Total	1,568,275,932	1,568,275,932	–	–

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 2022 (31 December 2021: 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 2022 to 31 December 2022 and 1 January 2021 to 31 December 2021.

The valuation techniques used by the Company are explained in the accounting policies described in note 2.

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

Asian Opportunities Fund*	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class A US Dollar Distribution	–	–	$7,032,683
Class I Euro Distribution	–	–	€36,735
Class I Euro Hedged Distribution	–	–	€91,806
Class I Sterling Distribution	–	–	£151,027
Class I Sterling Hedged Distribution	–	–	£185,888
Class I US Dollar Distribution	–	–	$777,006
	NAV per share	**NAV per share**	**NAV per share**
Class A US Dollar Distribution	–	–	$456.12
Class I Euro Distribution	–	–	€13.07
Class I Euro Hedged Distribution	–	–	€14.50
Class I Sterling Distribution	–	–	£11.75
Class I Sterling Hedged Distribution	–	–	£14.87
Class I US Dollar Distribution	–	–	$16.04

* Asian Opportunities Fund terminated on 1 March 2021.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Asian Stars Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€651,551	€832,454	€55,004
Class I Sterling Accumulation	£2,323,448	£1,584,551	£1,024,535
Class I US Dollar Accumulation	$3,333,140	$3,262,841	$1,784,145
Class R Euro Accumulation	€53,074	€49,256	€1,679
Class R Sterling Accumulation	£1,434	£1,744	£1,675
Class R US Dollar Accumulation	$20,699	$20,078	$1,797
Class S Euro Accumulation	€58,850,369	€88,015,725	€1,704
Class S Sterling Accumulation	£18,067,959	£17,870,138	£1,701
Class S US Dollar Accumulation	$45,656,829	$39,222,288	$14,219,448
Class S US Dollar Distribution	$213,108	$960	–
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Accumulation	€12.93	€16.52	€14.81
Class I Sterling Accumulation	£11.47	£13.87	£13.26
Class I US Dollar Accumulation	$13.80	$18.79	$18.12
Class R Euro Accumulation	€12.70	€18.79	€14.69
Class R Sterling Accumulation	£11.26	£13.69	£13.15
Class R US Dollar Accumulation	$13.55	$18.54	$17.97
Class S Euro Accumulation	€13.12	€16.70	€14.91
Class S Sterling Accumulation	£11.64	£14.02	£13.35
Class S US Dollar Accumulation	$14.00	$18.99	$18.24
Class S US Dollar Distribution	$7.08	–	–

Automation & Artificial Intelligence Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€19,716,096	€26,592,589	€16,995,934
Class I Sterling Accumulation	£74,698,618	£108,980,129	£87,407,116
Class I US Dollar Accumulation	$42,322,352	$61,545,774	$70,684,023
Class R Euro Accumulation	€14,515,670	€26,152,140	€17,356,198
Class R US Dollar Accumulation	$21,072,116	$35,429,763	$29,014,386
Class S Euro Accumulation	€760,633	€1,497,656	€1,264,103
Class S Sterling Accumulation	£107,194,067	£183,036,287	£157,268,407
Class S US Dollar Accumulation	$7,495,378	$17,569,687	$16,539,799
Class Z Sterling Accumulation	£33,787,760	£145,529,203.04	£189,606,198

Automation & Artificial Intelligence Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class I Euro Accumulation	€12.97	€18.29	€14.58
Class I Sterling Accumulation	£11.51	£15.35	£13.05
Class I US Dollar Accumulation	$13.84	$20.80	$17.84
Class R Euro Accumulation	€12.67	€17.95	€14.38
Class R US Dollar Accumulation	$13.52	$20.41	$17.60
Class S Euro Accumulation	€13.12	€18.45	€14.66
Class S Sterling Accumulation	£11.64	£15.49	£13.12
Class S US Dollar Accumulation	$14.00	$20.98	$17.94
Class Z Sterling Accumulation	£15.10	£19.99	£16.86

Biotechnology Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Distribution	€166,551,740	€161,825,336	€115,637,498
Class I Sterling Distribution	£196,544,392	£174,232,241	£155,523,504
Class I Sterling Hedged Distribution	£41,224,189	£115,513,788	£7,405,175
Class I US Dollar Distribution	$585,302,309	$486,709,900	$398,816,706
Class R Euro Distribution	€159,029,002	€178,407,960	€126,483,314
Class R Sterling Distribution	£7,379,706	£7,984,001	£6,413,725
Class R US Dollar Distribution	$351,460,100	$427,132,963	$24,759,423
Class S Euro Distribution	€525,004	€621,605	€425,699
Class S Sterling Distribution	£2,489,750	£1,535,778	£341,291
Class S US Dollar Distribution	$6,761,951	$7,261,299	$6,575,820
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Distribution	€35.76	€36.15	€32.09
Class I Sterling Distribution	£31.73	£30.35	£28.73
Class I Sterling Hedged Distribution	£15.33	£16.79	£16.06
Class I US Dollar Distribution	$38.17	$41.11	$39.27
Class R Euro Distribution	€34.30	€34.80	€31.04
Class R Sterling Distribution	£30.43	£29.22	£27.78
Class R US Dollar Distribution	$36.61	$39.58	$37.98
Class S Euro Distribution	€36.55	€36.82	€32.62
Class S Sterling Distribution	£32.43	£30.91	£29.19
Class S US Dollar Distribution	$39.01	$41.87	$39.91

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

China Stars Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€255,420	€244,611	€153,685
Class I Sterling Accumulation	£1,251,508	£1,047,068	£1,645,723
Class I US Dollar Accumulation	$226,893	$26,572	$704,747
Class R Euro Accumulation	€204,088	€178,404	€115,500
Class R Sterling Accumulation	£1,194	£1,322	£1,553
Class R US Dollar Accumulation	$218,310	$272,000	$592,119
Class S Euro Accumulation	€74,190	€3,807	€5,460
Class S Sterling Accumulation	£4,604,064	£3,820,482	£187,121
Class S US Dollar Accumulation	$10,088,667	$12,631,962	$9,955,813
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Accumulation	€10.54	€12.28	€13.47
Class I Sterling Accumulation	£9.35	£10.31	£12.06
Class I US Dollar Accumulation	$11.25	$13.96	$16.49
Class R Euro Accumulation	€10.36	€12.12	€13.36
Class R Sterling Accumulation	£9.19	£10.18	£11.96
Class R US Dollar Accumulation	$11.06	$13.78	$16.35
Class S Euro Accumulation	€10.66	€12.38	€13.53
Class S Sterling Accumulation	£9.46	£10.39	£12.11
Class S US Dollar Accumulation	$11.38	$14.07	$16.56

Emerging Market Stars Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€88,433,451	€42,371,286	€21,286,003
Class I Sterling Accumulation	£13,797,902	£12,697,758	£7,072,705
Class I US Dollar Accumulation	$13,973,092	$33,767,572	$7,789,861
Class R Euro Accumulation	€1,325,119	€1,578,632	€242,659
Class R Sterling Accumulation	£125,434	£170,014	£145
Class R US Dollar Accumulation	$4,956,376	$7,576,233	$46,768
Class SX Sterling Distribution	$118,563,715	£115,893,782	N/A
Class S Euro Accumulation	€33,586,460	€57,513,195	€58,958,267
Class S Euro Distribution**	€118,414	£153,939	N/A
Class S Sterling Accumulation	£79,980,406	£78,556,222	£41,591,579
Class S US Dollar Accumulation	$95,603,717	$169,296,625	$104,406,643
Class S US Dollar Distribution	$30,599,971	£40,511,744	£22,153,872
Class SX Euro Accumulation	€1,296	£1,691	£1,573
Class SX Sterling Accumulation	£21,882,504	£19,644,873	£21,654,906
Class R US Dollar Distribution	£715	£1,000	N/A
Class SX US Dollar Accumulation	$215,743,258	£226,404,250	£7,546,921
Class SX US Dollar Distribution**	$68,118,608	£83,315,890	N/A
Class X Swedish Krona Accumulation	SEK 1,692,469,037	SEK. 1,931,763,256	SEK. 5,318,484
Class X Euro Accumulation	€2,435,986	€24,336,722	€2,454,690
Class X US Dollar Accumulation	$55,080,347	$64,602,145	$30,681,946

Emerging Market Stars Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class I Euro Accumulation	€10.13	€13.23	€12.37
Class I Sterling Accumulation	£8.99	£11.11	£11.07
Class I US Dollar Accumulation	$10.82	$15.05	$15.13
Class R Euro Accumulation	€9.94	€13.04	€12.23
Class R Sterling Accumulation	£8.82	£10.95	£10.95
Class R US Dollar Accumulation	$10.60	$14.83	$14.97
Class R USD Distribution*	$7.15	£10.00	£17.55
Class S Euro Accumulation	€10.31	€13.41	€12.47
Class S Euro Distribution*	€7.70	£9.53	N/A
Class S Sterling Accumulation	£9.14	£11.26	£11.16
Class S US Dollar Accumulation	$11.00	$15.25	$15.25
Class S US Dollar Distribution	$11.16	£15.47	£15.48
Class SX Euro Accumulation	€12.96	£16.91	£15.73
Class SX Sterling Accumulation	£11.18	£13.79	£13.67
Class SX Sterling Distribution*	£7.72	£9.53	N/A
Class SX US Dollar Accumulation	$12.62	£17.54	N/A
Class SX US Dollar Distribution*	$6.74	£9.36	N/A
Class X Swedish Krona Accumulation	SEK 120.01	SEK. 146.16	SEK. 133.81
Class X Euro Accumulation	€10.79	€14.20	£13.32
Class X US Dollar Accumulation	$11.52	$16.14	£16.29

European (ex UK) Income Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€1,175,364	€1,031,557	€544,066
Class I Sterling Accumulation	£7,968,150	£7,489,383	£25,043,595
Class I Sterling Distribution	£3,100,975	£3,113,304	£3,034,374
Class I Sterling Hedged Accumulation	£382,251	£90,585	£29,450
Class I Sterling Hedged Distribution	£628,870	£203,650	£85,651
Class S Sterling Accumulation	£10,623,288	£10,977,463	£7,823,982
Class S Sterling Distribution	£37,420,826	£28,062,043	£30,050,659
Class S Sterling Hedged Accumulation	£1,459	£1,414	£1,183
Class S Sterling Hedged Distribution	£530,032	£705,561	£33,454,843
Class X Sterling Accumulation	£30,926	£1,101	£995
Class X Sterling Distribution	£44,583,184	£48,539,423	£70,890,036
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Accumulation	€13.87	€13.66	€11.50
Class I Sterling Accumulation	£12.22	£11.39	£10.22
Class I Sterling Distribution	£9.22	£8.94	£8.37
Class I Sterling Hedged Accumulation	£14.49	£14.08	£11.78

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

European (ex UK) Income Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class I Sterling Hedged Distribution	£10.84	£10.95	£9.56
Class S Sterling Accumulation	£12.34	£11.50	£10.31
Class S Sterling Distribution	£9.30	£9.01	£8.43
Class S Sterling Hedged Accumulation	£14.59	£14.14	£11.83
Class S Sterling Hedged Distribution	£10.86	£10.99	£9.60
Class X Sterling Accumulation	£11.72	£11.01	£9.95
Class X Sterling Distribution	£10.22	£10.00	£9.44

Financial Opportunities Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€37,346	€40,263	€25,364
Class I Euro Distribution	€1,719,127	€1,689,066	€996,021
Class I Sterling Accumulation	£4,560,195	£4,552,091	£836,795
Class I Sterling Distribution	£3,622,452	£3,685,381	£3,283,306
Class I US Dollar Accumulation	$735,400	$525,278	$79
Class I US Dollar Distribution	$8,255	$8,546	$120,182
Class R Euro Accumulation	€194,469	€71,185	€120,516
Class R Euro Distribution	€204,963	€15,825	€62
Class R Sterling Accumulation	£207,930	£152,697	£4,101
Class R Sterling Distribution	£68,812	£74,865	£77,905
Class R US Dollar Accumulation	$204,556	$236,155	$198,124
Class R US Dollar Distribution	$118	$136	$114
Class S Sterling Distribution	£2,194,642	$745,864	$120
Class S US Dollar Distribution	$2,918,095	$8,184,614	$3,345,848
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Accumulation	€14.34	€15.46	€12.01
Class I Euro Distribution	€12.92	€14.29	€11.27
Class I Sterling Accumulation	£12.72	£12.98	£10.75
Class I Sterling Distribution	£11.47	£12.00	£10.09
Class I US Dollar Accumulation	$15.30	$17.59	$14.70
Class I US Dollar Distribution	$13.79	$16.25	$13.79
Class R Euro Accumulation	€13.70	€14.85	€11.58
Class R Euro Distribution	€12.25	€13.61	€10.78
Class R Sterling Accumulation	£12.16	£12.47	£10.37
Class R Sterling Distribution	£10.86	£11.43	£9.65
Class R US Dollar Accumulation	$14.63	$16.89	$14.17
Class R US Dollar Distribution	$13.07	$15.48	$13.19
Class S Sterling Distribution	$10.51	$10.96	$9.18
Class S US Dollar Distribution	$12.64	$14.85	$12.54

Global Absolute Return Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Hedged Euro Accumulation	€318,924	€216,536	€265,560
Class I Hedged Sterling Accumulation	£4,043,907	£4,270,898	£3,436,309
Class I US Dollar Accumulation	$3,096,729	$1,686,465	$922,944
Class S Hedged Euro Accumulation	€6,677,825	€2,045,937	€3,169,897
Class S Hedged Sterling Accumulation	£25,958,247	£24,776,372	£22,157,413
Class S US Dollar Accumulation	$60,664,597	$26,721,279	$6,962,131
Class I Hedged GBP Distribution*	£1,381,906	–	–
Class I Hedged JPY Accumulation*	¥153,278	–	–
Class I Hedged JPY Distribution*	¥153,277	–	–
Class S Hedged GBP Distribution*	£31,017	–	–
Class S Hedged JPY Accumulation*	¥153,398	–	–
Class S Hedged JPY Distribution*	¥153,398	–	–
Class I US Dollar Distribution*	$1,039	–	–
	NAV per share	**NAV per share**	**NAV per share**
Class I Hedged Euro Accumulation	€121.55	€123.92	€119.49
Class I Hedged Sterling Accumulation	£126.57	£126.84	£121.75
Class I US Dollar Accumulation	$131.06	$130.79	$125.46
Class S Hedged Euro Accumulation	€122.88	€125.04	€120.10
Class S Hedged Sterling Accumulation	£127.90	£127.76	£122.20
Class S US Dollar Accumulation	$132.31	$131.80	$126.06
Class I Hedged GBP Distribution*	£100.66	–	–
Class I Hedged JPY Accumulation*	¥989.16	–	–
Class I Hedged JPY Distribution*	¥989.15	–	–
Class S Hedged GBP Distribution*	£100.62	–	–
Class S Hedged JPY Accumulation*	¥989.93	–	–
Class S Hedged JPY Distribution*	¥989.93	–	–
Class I US Dollar Distribution*	$103.94	–	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Global Convertible Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€6,617,805	€46,242,404	€6,031,429
Class I Euro Distribution	€1,720,819	€1,968,468	€2,362,856
Class I Hedged Euro Accumulation	€795,346	€1,653,530	€1,288,609
Class I Hedged Sterling Accumulation	£35,200,258	£41,894,588	£13,593,147
Class I Hedged Sterling Distribution	£21,225,548	£28,465,818	£28,774,641
Class I Hedged Swiss Franc Accumulation	Sfr. 763,407	Sfr. 951,876	Sfr. 8,729,345
Class I Sterling Accumulation	£15,306,497	£23,471,443	£21,762,720
Class I Sterling Distribution	£120,086,769	£165,032,770	£162,098,233
Class I US Dollar Accumulation	$1,515,151	$3,146,734	$4,360,981
Class I US Dollar Distribution	$2,096,662	$2,897,211	$4,130,100
Class Portfolio Currency Hedged Euro I Accumulation	€32,190,773	€9,141,039	€36,022,803
Class Portfolio Currency Hedged Sterling I Distribution	£38,565,522	£50,325,577	£68,557,278
Class R Euro Accumulation	€787,734	€1,003,421	€784,930
Class R Euro Distribution	€601,288	€1,722,165	€1,600,219
Class R Sterling Accumulation	£81,090	£146,667	£215,502
Class R Sterling Distribution	£64,817	£191,243	£103,100
Class R US Dollar Accumulation	$1,810	$113,083	$1,688
Class R US Dollar Distribution	$114,331	$970,444	$1,005,361
Class S Euro Accumulation	€160,369	€189,059	€103,541
Class S Euro Distribution	€1,219,524	€616,249	€1,714
Class S Hedged Sterling Accumulation	£405,793	£804,197	£976,696
Class S Hedged Sterling Distribution	£3,222,296	£1,760,317	£2,729,389
Class S Hedged Swiss Franc Accumulation	Sfr. 482	Sfr. 593.00	Sfr. 647
Class S Sterling Accumulation	£1,493,273	£2,005,289	£2,157,304
Class S Sterling Distribution	£131,788,876	£270,114,392	£249,077,519
Class S US Dollar Accumulation	$640,335	$794,494	$739,201
Class S US Dollar Distribution	$4,032,396	$4,344,785	$3,044,915
Class SI Sterling Accumulation	£57,125,804	£60,707,376	£68,644,680
Class Portfolio Currency Hedged Sterling S Distribution	£449,513	£80,741,534	£88,201,998
Class Portfolio Currency Hedged Sterling Y Distribution	£43,304,191	–	–
Class SI Sterling Distribution	£1,011	–	–
Class Y Sterling Distribution	£106,899,337	–	–

Global Convertible Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class I Euro Accumulation	€12.63	€14.16	€14.23
Class I Euro Distribution	€8.72	€10.22	€10.70
Class I Hedged Euro Accumulation	€9.81	€12.07	€13.18
Class I Hedged Sterling Accumulation	£10.46	£12.68	£13.77
Class I Hedged Sterling Distribution	£7.49	£9.48	£10.72
Class I Hedged Swiss Franc Accumulation	Sfr. 9.39	Sfr. 11.58	Sfr. 12.70
Class I Sterling Accumulation	£11.20	£11.89	£12.73
Class I Sterling Distribution	£7.74	£8.58	£9.58
Class I US Dollar Accumulation	$13.48	$16.10	$17.41
Class I US Dollar Distribution	$9.31	$11.63	$13.09
Class Portfolio Currency Hedged Euro I Accumulation	€11.00	€13.02	€13.83
Class Portfolio Currency Hedged Sterling I Distribution	£8.92	£10.93	£12.04
Class R Euro Accumulation	€12.12	€13.66	€13.79
Class R Euro Distribution	€8.35	€9.83	€10.34
Class R Sterling Accumulation	£10.75	£11.47	£12.35
Class R Sterling Distribution	£7.41	£8.26	£9.26
Class R US Dollar Accumulation	$12.93	$15.53	$16.88
Class R US Dollar Distribution	$8.91	$11.18	$12.66
Class S Euro Accumulation	€11.19	€12.51	€12.52
Class S Euro Distribution	€7.92	€9.25	€9.65
Class S Hedged Sterling Accumulation	£10.75	£12.99	£14.05
Class S Hedged Sterling Distribution	£7.67	£9.69	£10.92
Class S Hedged Swiss Franc Accumulation	Sfr. 9.64	Sfr. 11.86	Sfr. 12.93
Class S Sterling Accumulation	£9.93	£10.50	£11.21
Class S Sterling Distribution	£7.03	£7.77	£8.64
Class S US Dollar Accumulation	$11.94	$14.22	$15.32
Class S US Dollar Distribution	$8.45	$10.52	$11.81
Class SI Sterling Accumulation	£11.39	£12.05	£12.88
Class Portfolio Currency Hedged Sterling S Distribution	£9.05	£11.03	£12.11
Class Portfolio Currency Hedged Sterling Y Distribution	£9.72	–	–
Class SI Sterling Distribution	£10.02	–	–
Class Y Sterling Distribution	£10.00	–	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Global Insurance Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class A Sterling Distribution	£1,404,609	£1,212,349	£1,419,485
Class B Sterling Accumulation	£10,146,203	£8,823,869	£9,477,097
Class E Sterling Distribution	£799,814,621	£612,956,941	£537,548,317
Class F Sterling Accumulation	£252,693,888	£233,811,579	£197,505,637
Class I Euro Accumulation	€279,088,342	€60,093,102	€57,943,616
Class I Euro Distribution	€11,147,670	€11,330,421	€9,736,031
Class I Hedged Euro Accumulation	€16,830,005	€13,835,724	€14,433,408
Class I Hedged US Dollar Accumulation	$1,290,222	$899,241	$1,919,064
Class I Sterling Accumulation	£407,579,775	£261,091,073	£294,596,533
Class I Sterling Distribution	£375,961,502	£246,245,991	£191,847,242
Class I US Dollar Accumulation	$277,688,929	$231,110,844	$254,666,196
Class I US Dollar Distribution	$30,618,565	$24,329,549	$19,423,371
Class R Euro Accumulation	€35,727,224	€6,133,614	€5,418,959
Class R Euro Distribution	€5,340,561	€2,295,734	€1,959,401
Class R Sterling Accumulation	£4,879,637	£4,167,556	£5,486,204
Class R Sterling Distribution	£19,206,419	£18,709,879	£17,049,078
Class R US Dollar Accumulation	$54,329,485	$62,229,195	$68,754,492
Class R US Dollar Distribution	$1,574,691	$1,390,626	$1,297,677
Class I Hedged Euro Distribution	€15,438,440	–	–
Class I Hedged Sterling Distribution	£2,803,242.91	–	–
Class I Hedged Swiss Franc Accumulation	Sfr. 19,196,726	–	–
	NAV per share	**NAV per share**	**NAV per share**
Class A Sterling Distribution	£7.34	£6.02	£5.27
Class B Sterling Accumulation	£9.90	£8.00	£6.92
Class E Sterling Distribution	£7.79	£6.35	£5.54
Class F Sterling Accumulation	£10.59	£8.52	£7.33
Class I Euro Accumulation	€11.58	€9.85	€7.95
Class I Euro Distribution	€8.58	€7.40	€6.05
Class I Hedged Euro Accumulation	€19.19	€15.73	€13.60
Class I Hedged US Dollar Accumulation	$21.24	$17.06	$14.67
Class I Sterling Accumulation	£10.27	£8.27	£7.11
Class I Sterling Distribution	£7.61	£6.21	£5.42
Class I US Dollar Accumulation	$12.35	$11.20	$9.72
Class I US Dollar Distribution	$9.16	$8.42	$7.41

Global Insurance Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class R Euro Accumulation	€10.86	€9.27	€7.52
Class R Euro Distribution	€8.11	€7.03	€5.78
Class R Sterling Accumulation	£9.63	£7.78	£6.73
Class R Sterling Distribution	£7.20	£5.90	£5.17
Class R US Dollar Accumulation	$11.59	$10.54	$9.20
Class R US Dollar Distribution	$8.66	$7.99	$7.07
Class I Hedged Euro Distribution	€9.95	–	–
Class I Hedged Sterling Distribution	£9.97	–	–
Class I Hedged Swiss Franc Accumulation	Sfr. 9.94	–	–

Global Technology Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class A Euro Distribution	€10,154,022	€18,933,704	€21,026,391
Class A Sterling Distribution	£13,020,625	£23,940,322	£25,294,111
Class A US Dollar Distribution	$33,099,514	$86,621,494	$96,727,378
Class I Euro Accumulation	€23,990,401	€61,581,326	€3,250,035
Class I Euro Distribution	€175,231,344	€442,999,275	€512,018,203
Class I Hedged Euro Distribution	€64,573,621	€153,836,170	€153,126,806
Class I Hedged Sterling Distribution	£109,721,381	£196,727,125	£179,945,587
Class I Hedged Swiss Franc Distribution	Sfr. 57,350,838	Sfr. 117,469,302	Sfr. 101,053,907
Class I Sterling Distribution	£973,388,681	£1,840,558,637	£1,900,613,783
Class I US Dollar Distribution	$866,404,759	$2,139,038,560	$2,231,275,507
Class R Euro Accumulation	€2,396,453	€3,320,925	€891,317
Class R Euro Distribution	€281,012,954	€487,270,747	€398,778,454
Class R Hedged Euro Accumulation	€74,841,397	€180,591,732	€210,484,996
Class R Hedged Euro Distribution	€32,562,157	€87,764,299	€110,228,317
Class R Hedged Swiss Franc Distribution	Sfr. 16,995,275	Sfr. 34,784,358	Sfr. 31,139,483
Class R Sterling Distribution	£29,338,502	£47,644,324	£41,818,351
Class R US Dollar Distribution	$1,042,433,789	$2,194,707,757	£1,519,309,187

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Global Technology Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class A Euro Distribution	€58.57	€91.05	€77.26
Class A Sterling Distribution	£51.96	£76.45	£69.15
Class A US Dollar Distribution	$62.51	$103.55	$94.53
Class I Euro Accumulation.	€9.14	€14.14	€11.94
Class I Euro Distribution	€54.83	€84.81	€71.61
Class I Hedged Euro Distribution	€15.54	€26.63	€24.46
Class I Hedged Sterling Distribution	£22.73	£38.69	£35.35
Class I Hedged Swiss Franc Distribution	Sfr. 22.28	Sfr. 38.32	Sfr. 35.35
Class I Sterling Distribution	£48.64	£71.21	£64.09
Class I US Dollar Distribution	$58.51	$96.45	$87.61
Class R Euro Accumulation	€9.04	€14.06	€11.93
Class R Euro Distribution	€51.52	€80.10	€67.97
Class R Hedged Euro Accumulation	€15.11	€26.04	€24.05
Class R Hedged Euro Distribution	€22.30	€38.44	€35.50
Class R Hedged Swiss Franc Distribution	Sfr. 21.55	Sfr. 37.27	Sfr. 34.54
Class R Sterling Distribution	£45.71	£67.25	£60.84
Class R US Dollar Distribution	$54.99	$91.09	$83.17

Healthcare Blue Chip Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€2,078,589	€729,776	€241,965
Class I Euro Distribution	€212,846	€94,096	€513,326
Class I Sterling Accumulation	£31,044,206	£15,449,569	£11,058,140
Class I Sterling Distribution	£5,540,516	£3,297,356	£2,168,948
Class I US Dollar Accumulation	$8,194,826	$1,233,544	$1,873,117
Class I US Dollar Distribution	$109,437	$85,093	$56,674
Class S Sterling Accumulation	£3,951,359	£3,709,578	£2,889,627
Class S Sterling Distribution	£1,063,491	£736,419	£582,424
Class S Sterling Hedged Distribution	£1,846,261	£1,790	£1,467
Class S US Dollar Accumulation	$142	$150	$123
Class S US Dollar Distribution	$936	$991	$809
Class SI Sterling Distribution	£94,173,259	£60,749,208	£48,402,659
Class SI US Dollar Distribution	$31,124,194	$73,073	$160,147
Class I EUR Hedged Accumulation	€1,042	–	–
Class R Euro Accumulation	€996	–	–
Class R US Dollar Accumulation	$429,961	–	–

Healthcare Blue Chip Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class I Euro Accumulation	€17.32	€17.25	€13.11
Class I Euro Distribution	€16.16	€16.22	€12.40
Class I Sterling Accumulation	£15.36	£14.49	£11.73
Class I Sterling Distribution	£14.33	£13.62	£11.10
Class I US Dollar Accumulation	$18.48	$19.62	$16.04
Class I US Dollar Distribution	$17.24	$18.44	$15.17
Class S Sterling Accumulation	£15.54	£14.63	£11.83
Class S Sterling Distribution	£14.50	£13.76	£11.20
Class S Sterling Hedged Distribution	£16.04	£17.43	£14.37
Class S US Dollar Accumulation	$18.69	$19.82	$16.18
Class S US Dollar Distribution	$17.45	$18.63	$15.31
Class SI Sterling Distribution	£12.88	£12.19	£9.91
Class SI US Dollar Distribution	$15.50	$16.52	$13.54
Class I EUR Hedged Accumulation	€10.42	–	–
Class R Euro Accumulation	€9.90	–	–
Class R US Dollar Accumulation	€10.56	–	–

Healthcare Discovery Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Sterling Accumulation	£1,470,391	£1,815,430	£1,247,146
Class I US Dollar Accumulation	$6,316,462	$9,402,846	£1,334,935
Class S Sterling Accumulation	£17,146,185	£34,651,717	£24,386,965
Class S US Dollar Accumulation	$10,305,693	$13,752,278	£12,078,174
	NAV per share	**NAV per share**	**NAV per share**
Class I Sterling Accumulation	£9.80	£11.42	£11.01
Class I US Dollar Accumulation	$11.79	$15.47	$15.05
Class S Sterling Accumulation	£9.89	£11.47	£11.03
Class S US Dollar Accumulation	$11.89	$15.54	$15.08

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Healthcare Opportunities Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class A Euro Distribution	€5,552,456	$6,169,289	€6,595,606
Class A Sterling Distribution	£2,671,886	$2,976,956	£2,923,616
Class A US Dollar Distribution	$6,911,072	$8,280,305	$8,801,242
Class I Euro Distribution	€104,897,529	$39,229,856	€32,469,292
Class I Euro Accumulation	€20,429,002	$205,605,571	€197,367,115
Class I Euro Hedged Accumulation	€5,865,525	$3,734,725	€2,681,443
Class I Sterling Distribution	£927,656,408	$950,150,017	£964,995,112
Class I US Dollar Distribution	$164,109,503	$29,503,027	€36,756,528
Class I US Dollar Accumulation	$26,443,131	$250,066,265	$237,121,974
Class R Euro Distribution	€74,818,331	$3,746,997	€863,140
Class R Euro Accumulation	€4,727,437	$85,419,548	€66,698,086
Class R Sterling Distribution	£11,899,916	$15,296,765	£13,833,695
Class R US Dollar Distribution	$117,704,992	$10,442,946	€5,569,520
Class R US Dollar Accumulation	$8,160,875	$137,406,194	$118,969,723
	NAV per share	**NAV per share**	**NAV per share**
Class A Euro Distribution	€39.37	€40.54	€34.74
Class A Sterling Distribution	£34.93	£34.04	£31.10
Class A US Dollar Distribution	$42.02	$46.10	$42.51
Class I Euro Distribution	€60.42	€14.78	€12.61
Class I Euro Accumulation	€14.43	€61.90	€52.78
Class I Euro Hedged Accumulation	€13.58	€15.33	€14.22
Class I Sterling Distribution	£53.61	£51.97	£47.24
Class I US Dollar Distribution	$64.48	$69.38	€63.66
Class I US Dollar Accumulation	$63.56	$70.39	$64.58
Class R Euro Distribution	€56.56	€58.23	€49.91
Class R Euro Accumulation	€55.66	€57.31	€49.12
Class R Sterling Distribution	£50.18	£48.89	£44.68
Class R US Dollar Distribution	$60.36	$65.17	€60.11
Class R US Dollar Accumulation	$59.41	$66.22	$61.07

Income Opportunities Fund (based on dealing NAV per share)	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class A1 Sterling Distribution	£4,621,990	£5,227,662	£5,759,048
Class A2 Sterling Accumulation	£2,520,437	£2,477,171	£2,266,692
Class B1 Sterling Distribution	£7,750,246	£7,602,273	£7,151,013
Class B2 Sterling Accumulation	£23,699,750	£21,446,170	£17,758,731
Class I Euro Accumulation	€100,390	€101,415	€1,076
Class I Euro Distribution	€1,381	€1,396	€1,071
Class I Euro Hedged Accumulation	€141,847	€280,270	€204,801
Class I Euro Hedged Distribution	€11,538	€11,690	€9,975
Class I US Dollar Accumulation	$1,331	$1,433	$1,182
Class I US Dollar Distribution	$474,154	$659,179	$568,132
Class R Euro Accumulation	€184,540	€304,243	€90,501
Class R Euro Distribution	€114,592	€109,582	€621,898
Class R Euro Hedged Accumulation	€1,229,565	€1,287,621	€1,794,911
Class R Euro Hedged Distribution	€1,142,589	€1,170,434	€1,593,118
Class R US Dollar Accumulation	$48,534	$411,451	$803,612
Class R US Dollar Distribution	$1,242,543	$1,513,704	$2,773,437
Class R US Dollar Hedged Accumulation	$5,255,947	$16,898,400	$15,276,048
Class R US Dollar Hedged Distribution	$3,415,260	$5,756,839	$11,817,260
	NAV per share	**NAV per share**	**NAV per share**
Class A1 Sterling Distribution	£1.47	£1.48	£1.27
Class A2 Sterling Accumulation	£2.83	£2.71	£2.22
Class B1 Sterling Distribution	£1.57	£1.57	£1.34
Class B2 Sterling Accumulation	£2.98	£2.85	£2.33
Class I Euro Accumulation	€3.36	€3.39	€2.60
Class I Euro Distribution	€1.77	€1.87	€1.50
Class I Euro Hedged Accumulation	€16.77	€16.29	€13.38
Class I Euro Hedged Distribution	€12.35	€12.59	€10.81
Class I US Dollar Accumulation	$3.58	$3.86	$3.18
Class I US Dollar Distribution	$1.89	$2.13	$1.83
Class R Euro Accumulation	€3.18	€3.23	€2.48
Class R Euro Distribution	€1.66	€1.76	€1.41
Class R Euro Hedged Accumulation	€16.22	€15.87	€13.09
Class R Euro Hedged Distribution	€11.99	€12.28	€10.60
Class R US Dollar Accumulation	$3.40	$3.67	$3.04
Class R US Dollar Distribution	$1.77	$2.00	$1.73
Class R US Dollar Hedged Accumulation	$14.56	$13.89	$11.39
Class R US Dollar Hedged Distribution	$11.35	$11.33	$9.72

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Japan Value Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Distribution	€1,051	€1,027	€919
Class I Hedged Swiss Franc Distribution	Sfr. 1,196	Sfr. 1,089	Sfr. 957
Class I Hedged Euro Distribution	€1,047	€953	€836
Class I Hedged Sterling Distribution	£42,029	£56,070	£857
Class I Hedged US Dollar Distribution	$485,954	$383,554	$283,971
Class I Japanese Yen Distribution	¥5,247,114	¥182,091	¥403,407,806
Class I Sterling Distribution	£150,164	£79,875	£77,564
Class I US Dollar Distribution	$914	$946	$4,161
Class R Hedged Swiss Franc Distribution	Sfr. 1,887,301	Sfr. 2,440,262	Sfr. 2,195,052
Class R Hedged Euro Distribution	€4,802,625	€4,849,304	€6,157,405
Class R Hedged Sterling Distribution	£2,872,553	£2,468,610	£3,703,041
Class R Hedged US Dollar Distribution	$21,402,169	$25,039,578	$26,424,023
Class R Euro Distribution	€216,296	€99,602	€298,957
Class R Sterling Distribution	£4,651	£5,168	£7,270
Class R Japanese Yen Distribution	¥1,115,636,513	¥1,147,693,152	¥1,196,931,572
Class R US Dollar Distribution	$397,252	$551,453	$703,174
Class S Hedged Swiss Franc Distribution	Sfr. 1,362,593	Sfr. 2,150,981	Sfr. 2,127,695
Class S Hedged Euro Distribution	€2,470,180	€4,072,121	€4,670,439
Class S Hedged Sterling Distribution	£11,716,772	£12,006,326	£13,772,452
Class S Hedged US Dollar Distribution	$16,032,428	$18,105,065	$16,799,619
Class S Euro Distribution	€358,678	€12,623,521	€311,301
Class S Japanese Yen Distribution	¥3,232,898,283	¥3,154,136,123	¥2,178,077,521
Class S Sterling Distribution	£62,744,151	£45,830,446	£27,399,558
Class S US Dollar Distribution	$12,332,359	$13,166,044	$13,150,187

Japan Value Fund continued	NAV per share 31 December 2022	NAV per share 31 December 2021	NAV per share 31 December 2020
Class I Euro Distribution	€1.01	€0.99	€0.89
Class I Hedged Swiss Franc Distribution	Sfr. 11.96	Sfr. 10.89	Sfr. 9.57
Class I Hedged Euro Distribution	€10.47	€9.53	€8.36
Class I Hedged Sterling Distribution	£10.91	£9.79	£8.57
Class I Hedged US Dollar Distribution	$11.55	$10.28	$8.96
Class I Japanese Yen Distribution	¥142.22	¥128.69	¥112.12
Class I Sterling Distribution	£0.90	£0.83	£0.80
Class I US Dollar Distribution	$1.08	$1.12	$1.09
Class R Hedged Swiss Franc Distribution	Sfr. 11.81	Sfr. 10.81	Sfr. 9.54
Class R Hedged Euro Distribution	€2.48	€2.26	€1.99
Class R Hedged Sterling Distribution	£2.08	£1.87	£1.65
Class R Hedged US Dollar Distribution	$3.64	$3.25	$2.84
Class R Euro Distribution	€2.04	€2.00	€1.80
Class R Sterling Distribution	£1.81	£1.68	£1.63
Class R Japanese Yen Distribution	¥286.85	¥260.46	¥227.72
Class R US Dollar Distribution	$2.18	$2.26	$2.20
Class S Hedged Swiss Franc Distribution	Sfr. 12.11	Sfr. 10.99	Sfr. 9.62
Class S Hedged Euro Distribution	€2.64	€2.39	€2.09
Class S Hedged Sterling Distribution	£2.22	£1.99	£1.73
Class S Hedged US Dollar Distribution	$3.90	$3.45	$2.99
Class S Euro Distribution	€2.18	€2.12	€1.89
Class S Japanese Yen Distribution	¥305.64	¥275.45	¥239.03
Class S Sterling Distribution	£1.92	£1.78	£1.71
Class S US Dollar Distribution	$2.32	$2.39	$2.31

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

North American Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Distribution	€298,268	€339,509	€271,480
Class I Hedged Euro Distribution	€9,105,176	€80,455,582	€44,400,932
Class I Hedged Sterling Distribution	£30,370,013	£51,844,686	£26,410,625
Class I Hedged Swiss Franc Distribution	Sfr. 924,731	Sfr. 1,990,289	Sfr. 2,291,141
Class I Sterling Distribution	£82,247,384	£117,852,890	£123,781,952
Class I US Dollar Distribution	$300,021,118	$416,954,758	$334,217,691
Class R Euro Distribution	€1,453,335	€5,046,768	€1,712,431
Class R Hedged Euro Distribution	€34,874,236	€6,183,533	€4,374,506
Class R Hedged Sterling Distribution	£1,023,763	£1,625,361	£1,300,710
Class R Sterling Distribution	£552,533	£564,614	£446,906
Class R US Dollar Distribution	$19,089,059	$57,955,332	$41,489,186
Class S Euro Distribution	€1,347,584	€1,300,722	€1,011,963
Class S Hedged Euro Distribution	€577,735	€734,223	€5,457,242
Class S Hedged Sterling Distribution	£15,253,523	£21,974,628	£23,101,917
Class S Sterling Distribution	£164,048,798	£210,126,020	£198,460,322
Class S US Dollar Distribution	$98,041,948	$120,289,480	$96,059,357
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Distribution	€29.76	€34.11	€25.66
Class I Hedged Euro Distribution	€26.75	€33.81	€27.58
Class I Hedged Sterling Distribution	£28.00	£35.19	£28.63
Class I Hedged Swiss Franc Distribution	Sfr. 14.84	Sfr. 18.81	Sfr. 15.38
Class I Sterling Distribution	£26.40	£28.64	£22.96
Class I US Dollar Distribution	$31.76	$38.79	$31.39
Class R Euro Distribution	€27.92	€32.19	€24.36
Class R Hedged Euro Distribution	€24.98	€31.86	€26.15
Class R Hedged Sterling Distribution	£26.33	£33.31	£27.24
Class R Sterling Distribution	£24.77	£27.03	£21.80
Class R US Dollar Distribution	$29.80	$36.61	$29.81
Class S Euro Distribution	€30.14	€34.52	€25.96
Class S Hedged Euro Distribution	€27.06	€34.29	€27.95
Class S Hedged Sterling Distribution	£28.40	£35.67	£28.99
Class S Sterling Distribution	£26.74	£28.99	£23.23
Class S US Dollar Distribution	$32.17	$39.26	$31.76

Smart Energy Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€6,979,508	€5,242,579	–
Class I Sterling Accumulation	£14,611,956	£852,111	–
Class I Swedish Krona Accumulation	SEK 1,010	SEK 1,101	–
Class I Swiss Franc Accumulation	Sfr. 40,876	Sfr 1,040	–
Class I US Dollar Accumulation	$31,941,774	$16,018,982	–
Class R Euro Accumulation	€698,969.88	€594,991	–
Class R Sterling Accumulation	£116,362	£1,057	–
Class R Swedish Krona Accumulation	SEK 185,842,592	SEK 1,099	–
Class R Swiss Franc Accumulation	Sfr. 912	Sfr 2,974	–
Class R US Dollar Accumulation	$52,273,367	$3,836,824	–
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Accumulation	€7.95	€9.36	–
Class I Sterling Accumulation	£7.05	£7.86	–
Class I Swedish Krona Accumulation	SEK 88.35	SEK 96.34	–
Class I Swiss Franc Accumulation	Sfr. 7.85	Sfr 9.70	–
Class I US Dollar Accumulation	$8.48	$10.64	–
Class R Euro Accumulation	€7.87	€9.34	–
Class R Sterling Accumulation	£6.99	£7.84	–
Class R Swedish Krona Accumulation	SEK 87.57	SEK 96.16	–
Class R Swiss Franc Accumulation	Sfr. 7.78	Sfr 9.68	–
Class R US Dollar Accumulation	$8.40	$10.62	–

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

12. Comparative Figures continued

Smart Mobility Fund	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Euro Accumulation	€2,806,886	€1,409,097.64	–
Class I GBP Accumulation	£2,718,755	£326,829.69	–
Class I Swedish Krona Accumulation	SEK 945	SEK 1,094.31	–
Class I Swiss Franc Accumulation	Sfr. 58,406	Sfr 1,032.15	–
Class I US Dollar Accumulation	$3,983,096	$5,304,026.00	–
Class R Euro Accumulation	€54,839	€17,687.00	–
Class R GBP Accumulation	£881.40	£1,051.21	–
Class R Swedish Krona Accumulation	SEK 1,035	SEK 1,092.82	–
Class R Swiss Franc Accumulation	Sfr. 780	Sfr 1,031.08	–
Class R US Dollar Accumulation	$787	$1,056.00	–
	NAV per share	**NAV per share**	**NAV per share**
Class I Euro Accumulation	€7.43	€9.30	–
Class I GBP Accumulation	£6.60	£7.81	–
Class I Swedish Krona Accumulation	SEK 82.66	SEK 95.74	–
Class I Swiss Franc Accumulation	Sfr. 7.34	Sfr 9.63	–
Class I US Dollar Accumulation	$7.93	$10.57	–
Class R Euro Accumulation	€7.37	€9.29	–
Class R GBP Accumulation	£6.54	£7.80	–
Class R Swedish Krona Accumulation	SEK 81.98	SEK 95.61	–
Class R Swiss Franc Accumulation	Sfr. 7.28	Sfr 9.62	–
Class R US Dollar Accumulation	$7.87	$10.56	–

UK Value Opportunities Fund (based on dealing NAV per share)	Net Asset Value Unaudited 31 December 2022	Net Asset Value Audited 31 December 2021	Net Asset Value Audited 31 December 2020
Class I Sterling Accumulation	£124,569,633	£140,431,200	£169,776,899
Class I Sterling Distribution	£95,693,099	£165,459,543	£82,103,819
Class R Sterling Accumulation	£1,307,249	£2,089,281	£2,772,778
Class S Sterling Accumulation	£160,758,014	£243,618,047	£181,693,640
Class S Sterling Distribution	£626,791,872	£1,009,212,051	£585,158,581
Class Z Sterling Accumulation	£1,097	£54,887,100	£132,286,830
Class Z Sterling Distribution	–	N/A	N/A
	NAV per share	**NAV per share**	**NAV per share**
Class I Sterling Accumulation	£11.99	£14.64	£12.19
Class I Sterling Distribution	£11.16	£13.83	£11.59
Class R Sterling Accumulation	£9.97	£12.25	£10.23
Class S Sterling Accumulation	£12.07	£14.72	£12.25
Class S Sterling Distribution	£11.18	£13.86	£11.61
Class Z Sterling Accumulation	£10.97	£13.30	£10.97

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions

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
European (ex UK) Income Fund						
Class I Distribution Shares						
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 Distribution Shares						
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 Hedged Distribution Shares						
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 sent	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 Hedged Distribution Shares						
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 Distribution Shares						
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

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Financial Opportunities Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	04/01/2022	31/01/2022	$0.1506	8.78	$1	01/07/2021 – 31/12/2021
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 Distribution Shares						
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 Distribution Shares						
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

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Convertible Fund						
Class R Distribution Shares						
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 Distribution Shares						
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
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

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Convertible Fund continued						
Class S Distribution Shares						
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 Hedged Distribution Shares						
Class I Hedged Sterling Distribution	04/01/2022	31/01/2022	£0.0948	3,002,723.40	£284,658	01/10/2021 – 31/12/2021
Class I Hedged Sterling Distribution	01/04/2022	29/04/2022	£0.0929	3,192,628.23	£296,595	01/01/2022 – 31/03/2022
Class I Hedged Sterling Distribution	01/07/2022	29/07/2022	£0.0858	2,690,364.80	£230,833	01/04/2022 – 30/06/2022
Class I Hedged Sterling Distribution	03/10/2022	28/10/2022	$0.0888	2,352,482.70	£208,900	01/07/2022 – 30/09/2022
Class S Hedged Distribution Shares						
Class S Hedged Sterling Distribution	04/01/2022	31/01/2022	£0.0969	181,663.24	£17,603	01/10/2021 – 31/12/2021
Class S Hedged Sterling Distribution	01/04/2022	29/04/2022	£0.0950	194,922.55	£18,518	01/01/2022 – 31/03/2022
Class S Hedged Sterling Distribution	01/07/2022	29/07/2022	£0.0876	230,884.45	£20,225	01/04/2022 – 30/06/2022
Class S Hedged Sterling Distribution	03/10/2022	28/10/2022	£0.0909	229,545.48	£20,866	01/07/2022 – 30/09/2022
Class Portfolio Currency Hedged I Distribution Shares						
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 2022

13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Convertible Fund continued						
Class Portfolio Currency Hedged S Distribution Shares						
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 S Distribution Shares						
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 S Distribution Shares						
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 Y Distribution Shares						
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

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Insurance Fund						
Class R Distribution Shares						
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 Distribution Shares						
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
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 Distribution Shares						
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 Distribution Shares						
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

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Healthcare Blue Chip Fund						
Class I Distribution Shares						
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 Distribution Shares						
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 Distribution Shares						
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 Hedged Distribution Shares						
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
Income Opportunities Fund						
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
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

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Income Opportunities Fund continued						
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 Hedged Distribution Shares						
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 Hedged Distribution Shares						
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 Hedged Distribution Shares						
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

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
UK Value Opportunities Fund						
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

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

During the financial year ended 31 December 2021 the following Funds declared and paid distributions as follows:

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
European ex UK Income Fund						
Class I Distribution Shares						
Class I Sterling Distribution	04/01/2021	29/01/2021	£0.0425	362,530	£15,408	01/10/2020 – 31/12/2020
Class I Sterling Distribution	01/04/2021	30/04/2021	£0.0561	347,393	£19,489	01/01/2021 – 31/03/2021
Class I Sterling Distribution	01/07/2021	30/07/2021	£0.2132	383,530	£81,769	01/04/2021 – 30/06/2021
Class I Sterling Distribution	01/10/2021	29/10/2021	£0.0628	398,233	£25,009	01/07/2021 – 30/09/2021
Class S Distribution Shares						
Class S Sterling Distribution	04/01/2021	29/01/2021	£0.0427	3,564,728	£152,214	01/10/2020 – 31/12/2020
Class S Sterling Distribution	01/04/2021	30/04/2021	£0.0566	3,768,028	£213,270	01/01/2021 – 31/03/2021
Class S Sterling Distribution	01/07/2021	30/07/2021	£0.2148	3,811,546	£818,720	01/04/2021 – 30/06/2021
Class S Sterling Distribution	01/10/2021	29/10/2021	£0.0633	3,530,241	£223,464	01/07/2021 – 30/09/2021
Class I Hedged Distribution Shares						
Class I Sterling Hedged Distribution	04/01/2021	29/01/2021	£0.0479	8,959	£429	01/10/2020 – 31/12/2020
Class I Sterling Hedged Distribution	01/04/2021	30/04/2021	£0.0663	3,940	£261	01/01/2021 – 31/03/2021
Class I Sterling Hedged Distribution	01/07/2021	30/07/2021	£0.2527	4,679	£1,182	01/04/2021 – 30/06/2021
Class I Sterling Hedged Distribution	01/10/2021	29/10/2021	£0.0752	6,692	£503	01/07/2021 – 30/09/2021
European ex UK Income Fund continued						
Class S Hedged Distribution Shares						
Class S Sterling Hedged Distribution	04/01/2021	29/01/2021	£0.0482	3,484,880	£167,971	01/10/2020 – 31/12/2020
Class S Sterling Hedged Distribution	01/04/2021	30/04/2021	£0.0665	1,906,971	£126,814	01/01/2021 – 31/03/2021
Class S Sterling Hedged Distribution	01/07/2021	30/07/2021	£0.2540	1,645,615	£417,986	01/04/2021 – 30/06/2021
Class S Sterling Hedged Distribution	01/10/2021	29/10/2021	£0.0755	49,631	£3,747	01/07/2021 – 30/09/2021
Class X Distribution Shares						
Class X Sterling Distribution	04/01/2021	29/01/2021	£0.0479	7,509,538	£359,707	01/10/2020 – 31/12/2020
Class X Sterling Distribution	01/04/2021	30/04/2021	£0.0632	6,709,538	£424,043	01/01/2021 – 31/03/2021
Class X Sterling Distribution	01/07/2021	30/07/2021	€0.2398	6,072,338.91	£1,456,147	01/04/2021 – 30/06/2021
Class X Sterling Distribution	01/10/2021	29/10/2021	£0.0704	5,092,442	£358,508	01/07/2021 – 30/09/2021

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Financial Opportunities Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	04/01/2021	29/01/2021	$0.0775	9	$1	01/07/2020 – 31/12/2020
Class R Sterling Distribution	04/01/2021	29/01/2021	£0.0567	8,073	£458	01/07/2020 – 31/12/2020
Class R Euro Distribution	04/01/2021	29/01/2021	€0.0634	6	€0	01/07/2020 – 31/12/2020
Class R US Dollar Distribution	01/07/2021	30/07/2021	$0.1519	9	$1	01/04/2021 – 30/06/2021
Class R Sterling Distribution	01/07/2021	30/07/2021	£0.1099	8,092	£889	01/04/2021 – 30/06/2021
Class R Euro Distribution	01/07/2021	30/07/2021	€0.1281	1,163	€149	01/04/2021 – 30/06/2021
Class I Distribution Shares						
Class I US Dollar Distribution	04/01/2021	29/01/2021	$0.0810	8,715	$706	01/07/2020 – 31/12/2020
Class I Sterling Distribution	04/01/2021	29/01/2021	£0.0592	325,402	£19,264	01/07/2020 – 31/12/2020
Class I Euro Distribution	04/01/2021	29/01/2021	€0.0662	88,378	€5,851	01/07/2020 – 31/12/2020
Class I US Dollar Distribution	01/07/2021	30/07/2021	$0.1588	9,149	$1,453	01/04/2021 – 30/06/2021
Class I Sterling Distribution	01/07/2021	30/07/2021	£0.1149	313,547	£36,027	01/04/2021 – 30/06/2021
Class I Euro Distribution	01/07/2021	30/07/2021	€0.1339	89,121	€11,933	01/04/2021 – 30/06/2021
Class S Distribution Shares						
Class S US Dollar Distribution	04/01/2021	29/01/2021	€0.0537	266,814	€14,328	01/07/2020 – 31/12/2020
Class S Sterling Distribution	04/01/2021	29/01/2021	€0.0393	13	€1	01/07/2020 – 31/12/2020
Class S US Dollar Distribution	01/07/2021	30/07/2021	€0.1448	484,663	£70,179	01/04/2021 – 30/06/2021
Class S Sterling Distribution	01/07/2021	30/07/2021	€0.1048	7,903	€828	01/04/2021 – 30/06/2021

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Convertible Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	04/01/2021	29/01/2021	$0.1329	79,412	$10,554	01/10/2020 – 31/12/2020
Class R Sterling Distribution	04/01/2021	29/01/2021	£0.0972	11,134	£1,082	01/10/2020 – 31/12/2020
Class R Euro Distribution	04/01/2021	29/01/2021	€0.1086	154,760	€16,807	01/10/2020 – 31/12/2020
Class R US Dollar Distribution	01/04/2021	30/04/2021	$0.1213	81,742	$9,915	01/01/2021 – 31/03/2021
Class R Sterling Distribution	01/04/2021	30/04/2021	£0.0879	21,195	£1,863	01/01/2021 – 31/03/2021
Class R Euro Distribution	01/04/2021	30/04/2021	€0.1032	152,850	€15,774	01/01/2021 – 31/03/2021
Class R US Dollar Distribution	01/07/2021	31/07/2021	$0.1227	96,723	$11,868	01/04/2021 – 30/06/2021
Class R Sterling Distribution	01/07/2021	31/07/2021	£0.0888	23,634	£2,099	01/04/2021 – 30/06/2021
Class R Euro Distribution	01/07/2021	31/07/2021	€0.1035	179,130	€18,540	01/04/2021 – 30/06/2021
Class R US Dollar Distribution	01/10/2021	29/10/2021	$0.1142	104,805	$11,969	01/07/2021 – 30/09/2021
Class R Sterling Distribution	01/10/2021	29/10/2021	£0.0847	26,124	£2,213	01/07/2021 – 30/09/2021
Class R Euro Distribution	01/10/2021	29/10/2021	€0.0985	175,193	€17,257	01/07/2021 – 30/09/2021
Class I Distribution Shares						
Class I US Dollar Distribution	04/01/2021	29/01/2021	$0.1374	315,516	$43,352	01/10/2020 – 31/12/2020
Class I Sterling Distribution	04/01/2021	29/01/2021	£0.1005	16,920,484	£1,700,509	01/10/2020 – 31/12/2020
Class I Euro Distribution	04/01/2021	29/01/2021	€0.1123	220,828	€24,799	01/10/2020 – 31/12/2020
Class I US Dollar Distribution	01/04/2021	30/04/2021	$0.1255	326,369	$40,959	01/01/2021 – 31/03/2021
Class I Sterling Distribution	01/04/2021	30/04/2021	£0.0910	17,501,487	£1,592,635	01/01/2021 – 31/03/2021
Class I Euro Distribution	01/04/2021	30/04/2021	€0.1068	185,127	€19,772	01/01/2021 – 31/03/2021
Class I US Dollar Distribution	01/07/2021	31/07/2021	$0.1272	326,448	$41,524	01/04/2021 – 30/06/2021
Class I Sterling Distribution	01/07/2021	31/07/2021	£0.0921	18,239,323	£1,679,842	01/04/2021 – 30/06/2021
Class I Euro Distribution	01/07/2021	31/07/2021	€0.1073	186,092	€19,968	01/04/2021 – 30/06/2021
Class I US Dollar Distribution	01/10/2021	29/10/2021	$0.1186	262,460	$31,128	01/07/2021 – 30/09/2021
Class I Sterling Distribution	01/10/2021	29/10/2021	£0.0880	18,814,235	£1,655,653	01/07/2021 – 30/09/2021
Class I Euro Distribution	01/10/2021	29/10/2021	€0.1023	191,823	€19,624	01/07/2021 – 30/09/2021
Class S Distribution Shares						
Class S US Dollar Distribution	04/01/2021	29/01/2021	$0.1239	257,825	$31,945	01/10/2020 – 31/12/2020
Class S Sterling Distribution	04/01/2021	29/01/2021	£0.0906	28,828,417	£2,611,855	01/10/2020 – 31/12/2020
Class S Euro Distribution	04/01/2021	29/01/2021	€0.1013	178	€18	01/10/2020 – 31/12/2020
Class S US Dollar Distribution	01/04/2021	30/04/2021	$0.1134	267,077	$30,286	01/01/2021 – 31/03/2021
Class S Sterling Distribution	01/04/2021	30/04/2021	£0.0822	29,915,744	£2,459,074	01/01/2021 – 31/03/2021
Class S Euro Distribution	01/04/2021	30/04/2021	€0.0965	179	€17	01/01/2021 – 31/03/2021
Class S US Dollar Distribution	01/07/2021	31/07/2021	$0.1147	394,543	$45,254	01/04/2021 – 30/06/2021

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Convertible Fund continued						
Class S US Dollar Distribution Shares continued						
Class S Sterling Distribution	01/07/2021	31/07/2021	£0.0830	33,531,853	£2,783,144	01/04/2021 – 30/06/2021
Class S Euro Distribution	01/07/2021	31/07/2021	€0.0967	61,133	€5,912	01/04/2021 – 30/06/2021
Class S US Dollar Distribution	01/10/2021	29/10/2021	$0.1075	397,791	$42,763	01/07/2021 – 30/09/2021
Class S Sterling Distribution	01/10/2021	29/10/2021	£0.0797	34,517,997	£2,751,084	01/07/2021 – 30/09/2021
Class S Euro Distribution	01/10/2021	29/10/2021	€0.0928	65,562	€6,084	01/07/2021 – 30/09/2021
Class I Hedged Distribution Shares						
Class I Hedged Sterling Distribution	04/01/2021	29/01/2021	£0.1126	2,684,202	£302,241	01/10/2020 – 31/12/2020
Class I Hedged Sterling Distribution	01/04/2021	30/04/2021	£0.1027	2,528,028	£259,628	01/01/2021 – 31/03/2021
Class I Hedged Sterling Distribution	01/07/2021	31/07/2021	£0.1039	2,923,761	£303,779	01/04/2021 – 30/06/2021
Class I Hedged Sterling Distribution	01/10/2021	29/10/2021	£0.0967	2,885,834	£279,060	01/07/2021 – 30/09/2021
Class S Hedged Distribution Shares						
Class S Hedged Sterling Distribution	04/01/2021	29/01/2021	£0.1149	249,944	£28,719	01/10/2020 – 31/12/2020
Class S Hedged Sterling Distribution	01/04/2021	30/04/2021	£0.1046	171,185	£17,906	01/01/2021 – 31/03/2021
Class S Hedged Sterling Distribution	01/07/2021	31/07/2021	£0.1059	174,116	£18,439	01/04/2021 – 30/06/2021
Class S Hedged Sterling Distribution	01/10/2021	29/10/2021	£0.0998	193,089	£19,270	01/07/2021 – 30/09/2021
Class Portfolio Currency Hedged I Distribution Shares						
Class Portfolio Currency Hedged Sterling I Distribution	04/01/2021	29/01/2021	£0.1264	5,694,126	£719,738	01/10/2020 – 31/12/2020
Class Portfolio Currency Hedged Sterling I Distribution	01/04/2021	30/04/2021	£0.1172	5,547,549	£650,173	01/01/2021 – 31/03/2021
Class Portfolio Currency Hedged Sterling I Distribution	01/07/2021	31/07/2021	£0.1183	5,532,420	£654,485	01/04/2021 – 30/06/2021
Class Portfolio Currency Hedged Sterling I Distribution	01/10/2021	29/10/2021	£0.1109	4,636,764	£514,217	01/07/2021 – 30/09/2021
Class Portfolio Currency Hedged S Distribution Shares						
Class Portfolio Currency Hedged Sterling S Distribution	04/01/2021	29/01/2021	£0.1272	7,283,402	£926,449	01/10/2020 – 31/12/2020
Class Portfolio Currency Hedged Sterling S Distribution	01/04/2021	30/04/2021	£0.1181	7,077,336	£835,833	01/01/2021 – 31/03/2021
Class Portfolio Currency Hedged Sterling S Distribution	01/07/2021	31/07/2021	£0.1191	7,262,785	£864,998	01/04/2021 – 30/06/2021
Class Portfolio Currency Hedged Sterling S Distribution	01/10/2021	29/10/2021	£0.1118	7,270,043	£812,791	01/07/2021 – 30/09/2021

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Insurance Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	04/01/2021	29/01/2021	$0.0158	183,594	$2,901	01/10/2020 – 31/12/2020
Class R Sterling Distribution	04/01/2021	29/01/2021	£0.0116	3,297,184	£38,247	01/10/2020 – 31/12/2020
Class R Euro Distribution	04/01/2021	29/01/2021	€0.0129	339,185	€4,375	01/10/2020 – 31/12/2020
Class R US Dollar Distribution	01/04/2021	30/04/2021	$0.0279	190,626	$5,318	01/01/2021 – 31/03/2021
Class R Sterling Distribution	01/04/2021	30/04/2021	£0.0203	3,218,559	£65,337	01/01/2021 – 31/03/2021
Class R Euro Distribution	01/04/2021	30/04/2021	€0.0238	338,959	€8,067	01/01/2021 – 31/03/2021
Class R US Dollar Distribution	01/07/2021	30/07/2021	$0.0359	184,638	$6,628	01/04/2021 – 30/06/2021
Class R Sterling Distribution	01/07/2021	30/07/2021	£0.0260	3,215,311	£83,598	01/04/2021 – 30/06/2021
Class R Euro Distribution	01/07/2021	30/07/2021	€0.0302	339,655	€10,258	01/04/2021 – 30/06/2021
Class R US Dollar Distribution	01/10/2021	29/10/2021	$0.0240	174,058	$4,177.3858	01/07/2021 – 30/09/2021
Class R Sterling Distribution	01/10/2021	29/10/2021	£0.0178	3,212,708	£57,186	01/07/2021 – 30/09/2021
Class R Euro Distribution	01/10/2021	29/10/2021	€0.0207	328,788	€6,806	01/07/2021 – 30/09/2021
Class I Distribution Shares						
Class I US Dollar Distribution	04/01/2021	29/01/2021	$0.0166	2,622,512	$43,534	01/10/2020 – 31/12/2020
Class I Sterling Distribution	04/01/2021	29/01/2021	£0.0121	35,407,929	£428,436	01/10/2020 – 31/12/2020
Class I Euro Distribution	04/01/2021	29/01/2021	€0.0135	1,608,411	€21,714	01/10/2020 – 31/12/2020
Class I US Dollar Distribution	01/04/2021	30/04/2021	$0.0294	2,617,357	$76,950	01/01/2021 – 31/03/2021
Class I Sterling Distribution	01/04/2021	30/04/2021	£0.0213	36,537,746	£778,254	01/01/2021 – 31/03/2021
Class I Euro Distribution	01/04/2021	30/04/2021	€0.0250	1,576,608	€39,415	01/01/2021 – 31/03/2021
Class I US Dollar Distribution	01/07/2021	30/07/2021	$0.0377	2,744,285	$103,460	01/04/2021 – 30/06/2021
Class I Sterling Distribution	01/07/2021	30/07/2021	£0.0273	36,466,034	£995,523	01/04/2021 – 30/06/2021
Class I Euro Distribution	01/07/2021	30/07/2021	€0.0318	1,578,108	€50,184	01/04/2021 – 30/06/2021
Class I US Dollar Distribution	01/10/2021	29/10/2021	$0.0252	2,885,250	$72,708.2913	01/07/2021 – 30/09/2021
Class I Sterling Distribution	01/10/2021	29/10/2021	£0.0187	40,326,210	£754,100	01/07/2021 – 30/09/2021
Class I Euro Distribution	01/10/2021	29/10/2021	€0.0218	1,574,358	€34,321	01/07/2021 – 30/09/2021
Class A Distribution Shares						
Class A Sterling Distribution	04/01/2021	29/01/2021	£0.0119	269,148	£3,203	01/10/2020 – 31/12/2020
Class A Sterling Distribution	01/04/2021	30/04/2021	£0.0206	269,223	£5,546	01/01/2021 – 31/03/2021
Class A Sterling Distribution	01/07/2021	30/07/2021	£0.0266	203,788	£5,421	01/04/2021 – 30/06/2021
Class A Sterling Distribution	01/10/2021	29/10/2021	£0.0182	201,919	£3,675	01/07/2021 – 30/09/2021
Class E Distribution Shares						
Class E Sterling Distribution	04/01/2021	29/01/2021	£0.0125	97,072,435	£1,213,405	01/10/2020 – 31/12/2020
Class E Sterling Distribution	01/04/2021	30/04/2021	£0.0217	93,920,954	£2,038,085	01/01/2021 – 31/03/2021
Class E Sterling Distribution	01/07/2021	30/07/2021	£0.0279	95,297,630	£2,658,804	01/04/2021 – 30/06/2021
Class E Sterling Distribution	01/10/2021	29/10/2021	£0.0191	96,799,029	£1,848,861	01/07/2021 – 30/09/2021

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Healthcare Blue Chip Fund						
Class I Distribution Shares						
Class I US Dollar Distribution	04/01/2021	29/01/2021	$0.0999	3,736	$373	01/01/2020 – 31/12/2020
Class I Sterling Distribution	04/01/2021	29/01/2021	£0.0731	195,401	£14,284	01/01/2020 – 31/12/2020
Class I Euro Distribution	04/01/2021	29/01/2021	€0.0817	41,397	€3,382	01/01/2020 – 31/12/2020
Class S Distribution Shares						
Class S US Dollar Distribution	04/01/2021	29/01/2021	$0.1008	53	$5	01/01/2020 – 31/12/2020
Class S Sterling Distribution	04/01/2021	29/01/2021	£0.0737	52,002	£3,833	01/01/2020 – 31/12/2020
Class SI Distribution Shares						
Class SI US Dollar Distribution	04/01/2021	29/01/2021	$0.0891	11,828	$1,054	01/01/2020 – 31/12/2020
Class SI Sterling Distribution	04/01/2021	29/01/2021	£0.0652	4,884,224	£318,451	01/01/2020 – 31/12/2020
Class S Hedged Distribution Shares						
Class S Sterling Hedged Distribution	04/01/2021	29/01/2021	0.0900	102	€9	01/01/2020 – 31/12/2020

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Income Opportunities Fund						
Class A1 Sterling Distribution	04/01/2021	29/01/2021	£0.0150	4,548,293	£68,224	01/10/2020 – 31/12/2020
Class R US Dollar Distribution	04/01/2021	29/01/2021	$0.0205	1,602,402	$32,849	01/10/2020 – 31/12/2020
Class R Euro Distribution	04/01/2021	29/01/2021	€0.0168	439,628	€7,386	01/10/2020 – 31/12/2020
Class A1 Sterling Distribution	01/04/2021	30/04/2021	£0.0150	4,440,621	£66,609	01/01/2021 – 31/03/2021
Class R US Dollar Distribution	01/04/2021	30/04/2021	$0.0207	1,448,702	$29,988	01/01/2021 – 31/03/2021
Class R Euro Distribution	01/04/2021	30/04/2021	€0.0176	375,660	€6,612	01/01/2021 – 31/03/2021
Class A1 Sterling Distribution	01/07/2021	30/07/2021	£0.0152	4,145,387	£62,803	01/04/2021 – 30/06/2021
Class R US Dollar Distribution	01/07/2021	30/07/2021	$0.0209	856,345	$17,898	01/04/2021 – 30/06/2021
Class R Euro Distribution	01/07/2021	30/07/2021	€0.0176	375,668	€6,612	01/04/2021 – 30/06/2021
Class A1 Sterling Distribution	01/10/2021	29/10/2021	£0.0152	3,841,326	£58,196	01/07/2021 – 30/09/2021
Class R US Dollar Distribution	01/10/2021	29/10/2021	$0.0204	856,352	$17,470	01/07/2021 – 30/09/2021
Class R Euro Distribution	01/10/2021	29/10/2021	€0.0176	62,311	€1,097	01/07/2021 – 30/09/2021

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Income Opportunities Fund continued						
Class B1 Sterling Distribution	04/01/2021	29/01/2021	£0.0158	5,330,212	£83,951	01/10/2020 – 31/12/2020
Class I US Dollar Distribution	04/01/2021	29/01/2021	$0.0215	309,795	$6,661	01/10/2020 – 31/12/2020
Class I Euro Distribution	04/01/2021	29/01/2021	€0.0176	714	€13	01/10/2020 – 31/12/2020
Class B1 Sterling Distribution	01/04/2021	30/04/2021	£0.0158	5,124,150	£80,705	01/01/2021 – 31/03/2021
Class I US Dollar Distribution	01/04/2021	30/04/2021	$0.0217	309,802	$6,723	01/01/2021 – 31/03/2021
Class I Euro Distribution	01/04/2021	30/04/2021	€0.0185	723	€13	01/01/2021 – 31/03/2021
Class B1 Sterling Distribution	01/07/2021	30/07/2021	£0.0163	5,042,411	£81,939	01/04/2021 – 30/06/2021
Class I US Dollar Distribution	01/07/2021	30/07/2021	$0.0224	309,809	$6,940	01/04/2021 – 30/06/2021
Class I Euro Distribution	01/07/2021	30/07/2021	€0.0189	731	€14	01/04/2021 – 30/06/2021
Class B1 Sterling Distribution	01/10/2021	29/10/2021	£0.0163	4,996,752	£81,197	01/07/2021 – 30/09/2021
Class I US Dollar Distribution	01/10/2021	29/10/2021	$0.0219	309,816	$6,785	01/07/2021 – 30/09/2021
Class I Euro Distribution	01/10/2021	29/10/2021	€0.0189	739	€14	01/07/2021 – 30/09/2021
Class R Hedged Distribution Shares						
Class R Euro Hedged Distribution	04/01/2021	29/01/2021	€0.1275	150,328	€19,167	01/10/2020 – 31/12/2020
Class R Euro Hedged Distribution	01/04/2021	30/04/2021	€0.1275	146,810	€18,718	01/01/2021 – 31/03/2021
Class R Euro Hedged Distribution	01/07/2021	30/07/2021	€0.1300	95,311	€12,390	01/04/2021 – 30/06/2021
Class R Euro Hedged Distribution	01/10/2021	29/10/2021	€0.1300	95,312	€12,391	01/07/2021 – 30/09/2021
Class I Hedged Distribution Shares						
Class I Euro Hedged Distribution	04/01/2021	29/01/2021	€0.1275	923	€118	01/10/2020 – 31/12/2020
Class I Euro Hedged Distribution	01/04/2021	30/04/2021	€0.1275	924	€118	01/01/2021 – 31/03/2021
Class I Euro Hedged Distribution	01/07/2021	30/07/2021	€0.1300	926	€120	01/04/2021 – 30/06/2021
Class I Euro Hedged Distribution	01/10/2021	29/10/2021	€0.1300	927	€121	01/07/2021 – 30/09/2021
Class R Hedged Distribution Shares						
Class R US Dollar Hedged Distribution	04/01/2021	29/01/2021	$0.1125	1,215,267	$136,718	01/10/2020 – 31/12/2020
Class R US Dollar Hedged Distribution	01/04/2021	30/04/2021	€0.1125	1,081,194	$121,634	01/01/2021 – 31/03/2021
Class R US Dollar Hedged Distribution	01/07/2021	30/07/2021	$0.1175	619,955	$72,845	01/04/2021 – 30/06/2021
Class R US Dollar Hedged Distribution	01/10/2021	29/10/2021	€0.1175	543,156	$63,821	01/07/2021 – 30/09/2021

31 December 2021	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
UK Value Opportunities Fund						
Class I Sterling Distribution	04/01/2021	29/01/2021	£0.0704	7,084,022	£498,715	01/01/2020 – 31/12/2020
Class S Sterling Distribution	04/01/2021	29/01/2021	£0.0785	50,401,256	£3,956,499	01/01/2020 – 31/12/2020

The following distributions were declared in respect of the Company on 4 January 2023 and are therefore not accrued in the financial statements for the financial year ended 31 December 2022:

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Asian Stars Fund						
Class S US Dollar Distribution Shares	03/01/2023	31/01/2023	$0.0448	30,100	$1,348	01/10/2022 – 31/12/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Emerging Market Stars Fund						
Class S US Dollar Distribution Shares	03/01/2023	31/01/2023	$0.0580	2,741,933	$159,060	01/10/2022 – 31/12/2022
Class S Euro Distribution Shares	03/01/2023	31/01/2023	€0.0400	15,378	€616	01/10/2022 – 31/12/2022
Class SX US Dollar Distribution Shares	03/01/2023	31/01/2023	$0.0195	10,106,618	$197,470	01/10/2022 – 31/12/2022
Class SX Stering Distribution Shares	03/01/2023	31/01/2023	£0.0230	15,357,454	£352,648	01/10/2022 – 31/12/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
European (ex UK) Income Fund						
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0393	336,331.38	£13,218	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.0396	4,023,744.75	£159,340	01/10/2022 – 31/12/2022
Class I Sterling Hedged Distribution	03/01/2023	31/01/2023	£0.0471	58,013.83	£2,732	01/10/2022 – 31/12/2022
Class S Sterling Hedged Distribution	03/01/2023	31/01/2023	£0.0473	48,805.86	£2,309	01/10/2022 – 31/12/2022
Class X Sterling Distribution	03/01/2023	31/01/2023	£0.0436	4,362,346.76	£190,198	01/10/2022 – 31/12/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Financial Opportunities Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	03/01/2023	31/01/2023	$0.0939	9.00	$1	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.0780	6,336.30	£494	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/01/2023	31/01/2023	€0.0880	16,731.71	€1,472	01/10/2022 – 31/12/2022
Class I Distribution Shares						
Class I US Dollar Distribution	03/01/2023	31/01/2023	$0.0989	598.60	$59	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0822	315,819.73	£25,960	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/01/2023	31/01/2023	€0.0927	133,059.36	€12,335	01/10/2022 – 31/12/2022
Class S Distribution Shares						
Class S US Dollar Distribution	03/01/2023	31/01/2023	$0.0906	230,861.92	$20,916	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.0753	208,814.65	£15,724	01/10/2022 – 31/12/2022

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Absolute Return Fund						
Class I JPY Hedged Distribution Shares	03/01/2023	31/01/2023	¥25.7179	155	¥3,985	01/10/2022 – 31/12/2022
Class S JPY Hedged Distribution Shares	03/01/2023	31/01/2023	¥25.7381	155	¥3,988	01/10/2022 – 31/12/2022
Class I Sterling Hedged Distribution Shares	03/01/2023	31/01/2023	£2.6172	13,728	£35,930	01/10/2022 – 31/12/2022
Class S Sterling Hedged Distribution Shares	03/01/2023	31/01/2023	£2.6160	308	£806	01/10/2022 – 31/12/2022
Class I US Dollar Distribution Shares	03/01/2023	31/01/2023	$2.7024	10	$27	01/10/2022 – 31/12/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Convertible Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	03/01/2023	31/01/2023	$0.1337	12,831.75	$1,716	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.1111	8,747.22	£972	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/01/2023	31/01/2023	€0.1253	72,010.51	€9,023	01/10/2022 – 31/12/2022
Class I US Dollar Distribution Shares						
Class I US Dollar Distribution	03/01/2023	31/01/2023	$0.1396	225,205.34	$31,439	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.1161	15,515,086.42	£1,801,302	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/01/2023	31/01/2023	€0.1308	197,341.60	€25,812	01/10/2022 – 31/12/2022
Class S US Dollar Distribution Shares						
Class S US Dollar Distribution	03/01/2023	31/01/2023	$0.1266	477,206.65	$60,414	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.1052	18,746,639.56	£1,972,146	01/10/2022 – 31/12/2022
Class S Euro Distribution	03/01/2023	31/01/2023	€0.1186	153,980.36	€18,262	01/10/2022 – 31/12/2022
Class I Hedged Sterling Distribution Shares						
Class I Hedged Sterling Distribution	03/01/2023	31/01/2023	£0.1122	2,833,851.52	£317,958	01/10/2022 – 31/12/2022
Class S Hedged Sterling Distribution Shares						
Class S Hedged Sterling Distribution	03/01/2023	31/01/2023	£0.1150	420,116.84	£48,313	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged Sterling I Distribution Shares						
Class Portfolio Currency Hedged Sterling I Distribution	03/01/2023	31/01/2023	£0.1338	4,323,489.05	£578,483	01/10/2022 – 31/12/2022

Class Portfolio Currency Hedged Sterling S Distribution Shares						
Class Portfolio Currency Hedged Sterling S Distribution	03/01/2023	31/01/2023	£0.1358	49,669.92	£6,745	01/10/2022 – 31/12/2022
Class SI Sterling S Distribution Shares						
Class SI Sterling S Distribution Shares	03/01/2023	31/01/2023	£0.1502	100.85	£15	01/10/2022 – 31/12/2022
Class Y Sterling S Distribution Shares						
Class Y Sterling S Distribution Shares	03/01/2023	31/01/2023	£0.1500	10,689,933.71	£1,603,490	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged Sterling Y Distribution Shares						
Class Portfolio Currency Hedged Sterling Y Distribution Shares	03/01/2023	31/01/2023	£0.1536	4,455,164	£684,313	01/10/2022 – 31/12/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Global Insurance Fund						
Class R Distribution Shares						
Class R US Dollar Distribution	03/01/2023	31/01/2023	$0.0213	181,885.40	$3,874	01/10/2022 – 31/12/2022
Class R Sterling Distribution	03/01/2023	31/01/2023	£0.0177	2,668,558.94	£47,233	01/10/2022 – 31/12/2022
Class R Euro Distribution	03/01/2023	31/01/2023	€0.0200	658,345.04	€13,167	01/10/2022 – 31/12/2022
Class I Distribution Shares						
Class I US Dollar Distribution	03/01/2023	31/01/2023	$0.0226	3,344,463.71	$75,585	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.0188	49,399,070.05	£928,703	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/01/2023	31/01/2023	€0.0211	1,299,550.04	€27,421	01/10/2022 – 31/12/2022
Class A Distribution Shares						
Class A Sterling Distribution	03/01/2023	31/01/2023	£0.0181	191,332.35	£3,463	01/10/2022 – 31/12/2022
Class E Distribution Shares						
Class E Sterling Distribution	03/01/2023	31/01/2023	£0.0192	102,731,310.90	£1,972,441	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged I Distribution Shares						
Class Portfolio Currency Hedged Sterling I Distribution Shares	03/01/2023	31/01/2023	£0.0145	281,275.00	£4,078	01/10/2022 – 31/12/2022
Class Portfolio Currency Hedged I Distribution Shares						
Class Portfolio Currency Hedged Euro I Distribution Shares	03/01/2023	31/01/2023	€0.0143	1,551,820.34	€22,191	01/10/2022 – 31/12/2022

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

13. Distributions continued

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Healthcare Blue Chip						
Class I Distribution Shares						
Class I US Dollar Distribution	03/01/2023	31/01/2023	$0.1593	6,347.85	$1,011	01/10/2022 – 31/12/2022
Class I Sterling Distribution	03/01/2023	31/01/2023	£0.1324	386,637.56	£51,191	01/10/2022 – 31/12/2022
Class I Euro Distribution	03/01/2023	31/01/2023	€0.1492	13,171.15	€1,965	01/10/2022 – 31/12/2022
Class S Distribution Shares						
Class S US Dollar Distribution	03/01/2023	31/01/2023	$0.1610	53.61	$9	01/10/2022 – 31/12/2022
Class S Sterling Distribution	03/01/2023	31/01/2023	£0.1339	73,344.20	£9,821	01/10/2022 – 31/12/2022
Class SI Distribution Shares						
Class SI US Dollar Distribution	03/01/2023	31/01/2023	$0.1429	2,008,012.50	$286,945	01/10/2022 – 31/12/2022
Class SI Sterling Distribution	03/01/2023	31/01/2023	£0.1188	7,311,588.41	£868,617	01/10/2022 – 31/12/2022
Class S Hedged Distribution Shares						
Class S Sterling Hedged Distribution	03/01/2023	31/01/2023	£0.1542	115,103.56	£17,749	01/10/2022 – 31/12/2022

31 December 2022	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
Income Opportunities Fund						
Class A1 Sterling Distribution	03/01/2023	31/01/2023	$0.0174	3,138,447	$54,546	01/10/2022 – 31/12/2022
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 Euro Distribution	03/01/2023	31/01/2023	€0.0196	69,036	€1,353	01/10/2022 – 31/12/2022
Class B1 Sterling Distribution	03/01/2023	31/01/2023	$0.0187	4,927,988	$91,907	01/10/2022 – 31/12/2022
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 Euro Distribution	03/01/2023	31/01/2023	€0.0210	779	€16 0	1/10/2022 – 31/12/2022
Class R Euro Hedged Distribution	03/01/2023	31/01/2023	€0.1490	95,320	€14,203	01/10/2022 – 31/12/2022
Class I Euro Hedged Distribution	03/01/2023	31/01/2023	€0.1490	934	€139	01/10/2022 – 31/12/2022
Class R US Dollar Hedged Distribution	03/01/2023	31/01/2023	£0.1350	300,957	£40,629	01/10/2022 – 31/12/2022
UK Value Opportunities Fund						
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	17,497,473	01/10/2022 – 31/12/2022

There were no distributions for Japan Value Fund in 31 December 2022. The income from December was distributed in March 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.

15. Transaction Costs

During the financial year ended 31 December 2022 and 31 December 2021, the Funds incurred transaction costs in the purchase and sale of investments as follows:

	Currency	31 December 2022	31 December 2021
Asian Opportunities Fund	US$	–	20,951
Asian Stars Fund	US$	235,118	340,560
Automation & Artificial Intelligence Fund	US$	346,600	493,749
Biotechnology Fund	US$	1,470,748	1,603,433
China Stars Fund	US$	50,343	43,041
Emerging Markets Income Fund	US$	–	263,335
Emerging Markets Stars Fund	US$	1,781,622	1,735,380
European (ex UK) Income Fund	EUR	102,695	56,874
Financial Opportunities Fund	US$	49,287	46,904
Global Absolute Return Fund	US$	90	99
Global Convertible Fund	US$	591	–
Global Insurance Fund	GBP	514,895	202,395
Global Technology Fund	US$	5,042,707	10,860,987
Healthcare Blue Chip Fund	US$	221,740	156,672
Healthcare Discovery Fund	US$	24,904.77	45,118
Healthcare Opportunities Fund	US$	1,277,820	1,979,690
Income Opportunities Fund	GBP	31,558	40,074
Japan Value Fund	JPY	12,654,892	16,532,923
North American Fund	JPY	359,553	414,392
Smart Energy Fund	US$	163,659	22,891
Smart Mobility Fund	US$	18,268	6,893
UK Value Opportunities Fund	GBP	2,948,127	20,951

For further information regarding the accounting policy for transaction costs please refer to Note 2.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

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 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

	Emerging Market Stars Fund 2022 US$	European (ex UK) Income Fund 2022 EUR€	Financial Opportunities Fund 2022 US$	Global Absolute Return Fund 2022 US$
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

	Global Convertible Fund 2022 US$	Global Insurance Fund 2022 GBP£	Global Technology Fund 2022 US$	Healthcare Blue Chip Fund 2022 US$
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

	Healthcare Discovery Fund 2022 US$	Healthcare Opportunities Fund 2022 US$	Income Opportunities Fund 2022 GBP£	Japan Value Fund 2022 JPY ¥
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

	North American Fund 2022 US$	Smart Energy Fund 2022 GBP£	Smart Mobility Fund 2022 GBP£	UK Value Opportunities Fund 2022 GBP£
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

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2022, 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.

	Automation & Artificial Intelligence Fund 2021 US$	Biotechnology Fund 2021 US$	China Stars Fund 2021 US$	Emerging Market Stars Fund 2021 US$
Net Assets at 31 December 2021, under IFRS	768,829,307	1,713,904,099	19,979,329	1,288,353,415
Redemptions payable 1 January 2022	–	–	(13,308)	(316,387)
Net Assets at 31 December 2021, under US GAAP	768,829,307	1,713,904,099	19,966,021	1,288,037,028

	European (ex UK) Income Fund 2021 EUR€	Financial Opportunities Fund 2021 US$	Global Convertible Fund 2021 US$	Global Insurance Fund 2021 GBP£
Net Assets at 31 December 2021, under IFRS	119,139,503	23,496,762	1,066,904,406	1,701,832,724
Redemptions payable 1 January 2022	(17,466)	–	(66,941)	(328,346)
Net Assets at 31 December 2021, under US GAAP	119,122,037	23,496,762	1,066,837,465	1,701,504,378

	Global Technology Fund 2021 US$	Healthcare Blue Chip Fund 2021 US$	Healthcare Discovery Fund 2021 US$	Healthcare Opportunities Fund 2021 US$
Net Assets at 31 December 2021, under IFRS	9,078,397,146	116,148,125	72,619,592	2,138,223,444
Redemptions payable 1 January 2022	(2,571,457)	(225,603)	(61,556)	(220,882)
Net Assets at 31 December 2021, under US GAAP	9,075,825,689	115,922,522	72,558,036	2,138,002,562

	Income Opportunities Fund 2021 GBP£	Japan Value Fund 2021 JPY ¥	North American Fund 2021 US$	Smart Energy Fund 2021 GBP£
Net Assets at 31 December 2021, under IFRS	58,052,699	23,668,453,458	1,251,434,041	27,652,671
Redemptions payable 1 January 2022	(4)	(14,618,582)	(84,987)	–
Net Assets at 31 December 2021, under US GAAP	58,052,695	23,653,834,876	1,251,349,054	27,652,671

	Smart Mobility Fund 2021 GBP£	UK Value Opportunities Fund 2021 GBP£
Net Assets at 31 December 2021, under IFRS	7,375,870	1,608,257,789
Redemptions payable 1 January 2022	–	(739,218)
Net Assets at 31 December 2021, under US GAAP	7,375,870	1,607,518,571

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

The following summarises the Company's financial highlights for the financial year ended 31 December 2022.

Financial Highlights

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 Accumulation US$
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment loss*	–	–	(0.01)	0.01
Net realised and unrealised gain	(4.99)	(6.96)	(2.93)	(2.72)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase 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
Ratios	%	%	%	%
Total return:				
Total return before performance fee	(25.65)%	(33.46)%	(6.75)%	(19.07)%
Performance fee	–	–	(0.40)%	(0.34)%
Total return after performance fee	(25.65)%	(33.46)%	(7.15)%	(19.41)%
Ratios to average net assets:				
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)%
Net investment loss to average net assets:				
Net investment loss before performance fee	0.09%	0.08%	(0.94)%	1.41%
Performance fee	–	–	(0.40)%	(0.34)%
Total net investment 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 Euro Accumulation EUR	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 income*	–	0.03	0.01	0.07
Net realised and unrealised gain/(loss)	(4.23)	0.18	(2.30)	0.20
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase/(decrease) 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
Ratios	%	%	%	%
Total return:				
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%
Ratios to average net assets:				
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)%
Net investment (loss)/income to average net assets:				
Net investment income/(loss) before performance fee	0.13%	3.43%	1.07%	7.04%
Performance fee	–	–	–	(0.4)%
Total net investment (loss)/income	0.13%	3.43%	1.07%	6.95%

* Average month-end shares outstanding were used for this calculation.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

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 Sterling Accumulation GBP	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 income/(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
Ratios	**%**	**%**	**%**	**%**
Total return:				
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)%
Ratios to average net assets:				
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)%
Net investment (loss)/income to average net assets:				
Net investment income before performance fee	3.22%	0.57%	(0.75)%	(0.14)%
Performance fee	–	(0.13)%	–	–
Total net investment (loss)/income	3.22%	0.44%	(0.75)%	(0.14)%

* Average month-end shares outstanding 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 Class B2 Sterling Accumulation GBP	Japan Value Fund Class S JPY Distribution JPY
For a participating share outstanding throughout the financial year ended 31 December 2022				
Net investment loss*	(0.02)	–	0.04	0.02
Net realised and unrealised gain	(3.66)	(5.91)	0.09	30.17
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase in net asset value	(3.68)	(5.91)	0.13	30.19
Net asset value at beginning of financial year	15.57	70.39	2.85	275.45
Net asset value at end of financial year	11.79	64.48	2.98	305.64
Ratios	**%**	**%**	**%**	**%**
Total return:				
Total return before performance fee	(22.97%)	(8.40%)	5.00%	10.96%
Performance fee	(0.81)%	–	(0.46)%	–
Total return after performance fee	(23.78)%	(8.40)%	4.60%	10.96%
Ratios to average net assets:				
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)%
Net investment (loss)/income to average net assets:				
Net investment 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 month-end shares outstanding were used for this calculation.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

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 Accumulation GBP	Smart Mobility Fund Class I USD Accumulation 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 income*	–	–	(0.01)	0.01
Net realised and unrealised gain	(7.03)	(2.16)	(2.63)	(2.66)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase/(decrease) in net asset value	(7.03)	(2.16)	(2.64)	(2.65)
Net asset value at beginning of financial year	31.39	10.64	10.57	14.64
Net asset value at end of financial year	31.76	8.48	7.93	11.99
Ratios	%	%	%	%
Total return:				
Total return before performance fee	(1.06)%	(20.30%)	(24.98%)	(18.10%)
Performance fee	–	–	–	–
Total return after performance fee	(1.06)%	(20.30)%	(24.98)%	(18.10)%
Ratios to average net assets:				
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)%
Net investment income to average net assets:				
Net investment income before performance fee	(0.13)%	(0.31)%	(0.54)%	1.45%
Performance fee	–	–	–	–
Total net investment income	(0.13)%	(0.31)%	(0.54)%	1.45%

* Average month-end shares outstanding were used for this calculation.

For the financial year ended 31 December 2021

	31 December 2021			
	Asian Opportunities Fund Class I USD Distribution US$	Asian Stars Fund Class I USD Accumulation US$	Automation & Artificial Intelligence Fund Class I USD Accumulation US$	Biotechnology Fund Class I USD Distribution US$
For a participating share outstanding throughout the financial year ended 31 December 2021				
Net investment gain/(loss)*	–	0.02	(0.12)	(0.02)
Net realised and unrealised (loss)/gain	(16.04)	5.44	5.13	1.86
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(16.04)	5.46	5.01	1.84
Net asset value at beginning of financial year	16.04	12.66	12.83	39.27
Net asset value at end of financial year	–	18.12	17.84	41.11
Ratios	**%**	**%**	**%**	**%**
Total return:				
Total return before performance fee	(100.00)%	43.94%	39.05%	5.25%
Performance fee	–	(0.81)%	–	(0.57)%
Total return after performance fee	(100.00)%	43.13%	39.05%	4.69%
Ratios to average net assets:				
Expenses to average net assets	(0.57)%	(1.76)%	(1.06)%	(1.25)%
Performance fee	–	(0.81)%	–	(0.57)%
Total expenses	(0.57)%	(2.57)%	(1.06)%	(1.82)%
Net investment loss to average net assets:				
Net investment income/(loss) before performance fee	(0.74)%	0.02	(12.01)%	(0.98)%
Performance fee	–	(0.81)%	–	(0.57)%
Total net investment income/loss	(0.74)%	0.02	(12.01)%	(1.55)%

* Average net assets held during the financial year end were used for this calculation.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

Financial Highlights continued

For the financial year ended 31 December 2021 continued

	31 December 2021			
	China Stars Fund Class I USD Distribution US$	Emerging Markets Income Fund Class I USD Accumulation US$	Emerging Markets Stars Fund Class I USD Accumulation US$	European ex UK Income Fund Class I USD Distribution US$
For a participating share outstanding throughout the financial year ended 31 December 2021				
Net investment gain/(loss)*	–	(0.02)	(0.01)	0.05
Net realised and unrealised (loss)/gain	5.13	(13.31)	(0.07)	2.11
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	5.13	(13.33)	(0.08)	2.16
Net asset value at beginning of financial year	11.36	13.33	15.13	11.50
Net asset value at end of financial year	16.49	–	15.05	13.66
Ratios	%	%	%	%
Total return:				
Total return before performance fee	45.16%	(100.00)%	(0.16)%	0.19
Performance fee	–	–	(0.36)%	–
Total return after performance fee	45.16%	(100.00)%	(0.53)%	0.19
Ratios to average net assets:				
Expenses to average net assets	(0.12)%	(2.48)%	(1.82)%	(1.13)%
Performance fee	–	–	(0.36)%	–
Total expenses	(0.12)%	(2.48)%	(2.19)%	(1.13)%
Net investment loss to average net assets:				
Net investment income/(loss) before performance fee	(0.02)%	(1.61)%	(0.30%)	4.77%
Performance fee	–	–	(0.36)%	–
Total net investment income/loss	(0.02)%	(1.61)%	(0.67)%	4.77%

* Average net assets held during the financial year end were used for this calculation.

	31 December 2021			
	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 2021				
Net investment gain/(loss)*	0.13	0.01	0.03	–
Net realised and unrealised (loss)/gain	2.76	5.32	(1.34)	1.16
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	2.89	5.33	(1.31)	1.16
Net asset value at beginning of financial year	14.70	125.46	17.41	7.11
Net asset value at end of financial year	17.59	130.79	16.10	8.27
Ratios	%	%	%	%
Total return:				
Total return before performance fee	0.20	5.08%	(0.08)	0.16
Performance fee	–	(0.83)%	–	–
Total return after performance fee	0.20	4.25%	(0.08)	0.16
Ratios to average net assets:				
Expenses to average net assets	(0.00)%	(1.50)%	(0.47)%	(1.08)%
Performance fee	–	(0.83)%	–	–
Total expenses	(0.03)%	(2.33)%	(0.47)%	(1.08)%
Net investment loss to average net assets:				
Net investment income/(loss) before performance fee	0.13	1.73%	3.41%	0.29%
Performance fee	–	(0.83)%	–	–
Total net investment income/loss	0.13	0.01	3.41%	0.29%

* Average net assets held during the financial year end were used for this calculation.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

Financial Highlights continued

For the financial year ended 31 December 2021 continued

	31 December 2021			
	Global Technology Fund Class I USD Distribution US$	Healthcare Blue Chip Fund Class I USD Accumulation US$	Healthcare Discovery Fund Class I USD Accumulation US$	Healthcare Opportunities Fund Class I USD Distribution US$
For a participating share outstanding throughout the financial year ended 31 December 2021				
Net investment gain/(loss)*	(0.01)	–	(0.02)	(0.01)
Net realised and unrealised (loss)/gain	8.85	3.58	0.51	5.82
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	8.84	3.58	0.49	5.81
Net asset value at beginning of financial year	87.61	16.04	15.05	64.58
Net asset value at end of financial year	96.45	19.62	15.54	70.39
Ratios	%	%	%	%
Total return:				
Total return before performance fee	10.09%	22.33%	4.43%	9.00%
Performance fee	–	–	(1.16)%	–
Total return after performance fee	10.09%	22.33%	3.27%	9.00%
Ratios to average net assets:				
Expenses to average net assets	(1.31)%	(1.64)%	(1.36)%	(1.21)%
Performance fee	–	–	(1.16)%	–
Total expenses	(1.31)%	(1.64)%	(2.52)%	(1.21)%
Net investment loss to average net assets:				
Net investment income/(loss) before performance fee	(0.77)%	(0.10)%	(1.09)%	(0.71)%
Performance fee	–	–	(1.16)%	–
Total net investment income/loss	(0.77)%	(0.10)%	(2.25)%	(0.71)%

* Average net assets held during the financial year end were used for this calculation.

	31 December 2021			
	Income Opportunities Class B2 Sterling Accumulation GBP	Japan Value Fund Class S JPY Accumulation JPY	North American Fund Class I USD Distribution US$	Smart Energy Fund Class I USD Distribution GBP
For a participating share outstanding throughout the financial year ended 31 December 2021				
Net investment gain/(loss)*	–	0.02	–	–
Net realised and unrealised (loss)/gain	0.52	36.40	4.13	10.64
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	0.52	36.42	4.13	10.64
Net asset value at beginning of financial year	2.33	239.03	27.26	–
Net asset value at end of financial year	2.85	275.45	31.39	10.64
Ratios	%	%	%	%
Total return:				
Total return before performance fee	0.22	0.15	15.15%	–
Performance fee	–	–	–	–
Total return after performance fee	0.22	0.15	15.15%	–
Ratios to average net assets:				
Expenses to average net assets	–	(1.28)%	(1.03)%	(0.02)%
Performance fee	–	–	–	–
Total expenses	–	(1.28)%	(1.03)%	(0.02)%
Net investment loss to average net assets:				
Net investment income/(loss) before performance fee	–	1.71%	(0.26)%	(0.01)%
Performance fee	–	–	–	–
Total net investment income/loss	–	1.71%	(0.26)%	(0.01)%

* Average net assets held during the financial year end were used for this calculation.

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

Financial Highlights continued

For the financial year ended 31 December 2021 continued

	31 December 2021	
	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 2021		
Net investment gain/(loss)*	–	–
Net realised and unrealised (loss)/gain	10.57	2.45
Distributions	–	–
Less Redemptions	–	–
Net (decrease)/increase in net asset value	10.57	2.45
Net asset value at beginning of financial year	–	12.19
Net asset value at end of financial year	10.57	14.64
Ratios	**%**	**%**
Total return:		
Total return before performance fee	–	0.20
Performance fee	–	(0.18)%
Total return after performance fee	–	0.20
Ratios to average net assets:		
Expenses to average net assets	(0.26)%	(0.57)%
Performance fee	–	(0.18)%
Total expenses	(0.26)%	(0.75)%
Net investment loss to average net assets:		
Net investment income/(loss) before performance fee	(0.15)%	1.63%
Performance fee	–	(0.18)%
Total net investment income/loss	(0.15)%	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 2022 and 31 December 2021, 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:

Asian Stars Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	20,844	(20,844)	16,423	(16,423)

Automation & Artificial Intelligence Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions GBP	Short Positions GBP	Long Positions GBP	Short Positions GBP
Foreign Currency Exchange Rates				
Forward foreign currency contracts	41,579	(41,579)	138,862	(138,862)

Biotechnology Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	878,092	(878,080)	1,835,741	(1,835,741)

China Stars Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	211,707	(212,177)	1,011	(1,011)

Emerging Market Stars Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	276,827	(276,827)	81,485	(81,485)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

European (ex UK) Income Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions EUR€	Short Positions EUR€	Long Positions EUR€	Short Positions EUR€
Foreign Currency Exchange Rates				
Forward foreign currency contracts	277,677	(277,667)	215,229	(215,229)

Global Absolute Return Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Equity Price Risk				
Contracts for difference	243,770	(2,134,312)	343,918	(1,051,775)
Futures contracts	–	(3,408,249)	–	(4,304,000)
Options	–	(75,000)	–	–
Foreign Currency Exchange Rates				
Forward foreign currency contracts	1,589,571	(1,589,571)	2,527,552	(2,527,552)

Global Convertible Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Equity Price Risk				
Contracts for difference	–	(6,7149,40)	–	(24,562,462)
Futures contracts	122,218,019	(30,058,950)	138,266,094	(11,694,873)
Foreign Currency Exchange Rates				
Forward foreign currency contracts	1,603,375	(1,603,375)	1,114,870	(1,114,870)

Global Insurance Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
Foreign Currency Exchange Rates				
Forward foreign currency contracts	212,177	(212,177)	467,357	(467,357)

Global Technology Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Equity Price Risk				
Options	429,750	–	5,059,325	–
Foreign Currency Exchange Rates				
Forward foreign currency contracts	2,124,962	(2,124,962)	4,040,358	(4,040,358)

Healthcare Blue Chip Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	93,834	(93,834)	49,001	(49,001)

Income Opportunities Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
Equity Price Risk				
Futures contracts	–	(1,947,967)	–	(1,359,214)
Foreign Currency Exchange Rates				
Forward foreign currency contracts	1,159,965	(1,159,965)	2,465,579	(2,465,579)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

Japan Value Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions JPY¥	Short Positions JPY¥	Long Positions JPY¥	Short Positions JPY¥
Foreign Currency Exchange Rates				
Forward foreign currency contracts	192,007,150	(192,007,150)	235,247,887	(235,247,887)

North American Fund

Average Balances of Derivative Instruments

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Long Positions US$	Short Positions US$	Long Positions US$	Short Positions US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	1,209,511	(1,209,511)	2,099,812	(2,099,812)

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 2022 and 31 December 2021.

Asian Stars Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(113,582)	(179)	(149,080)	118

Asian Opportunities Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(2)	(9)	2,087	(2,186)

Automation & Artificial Intelligence Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	For the financial year ended 31 December 2021 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(245,834)	6	1,450,743	(5,501)

Biotechnology Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	For the financial year ended 31 December 2021 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(17,682,565)	(4,129,937)	(7,733,136)	3,403,488

China Stars Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	For the financial year ended 31 December 2021 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(49,878)	–	17,650	243
Options	–	–	(4,560)	4,470

Emerging Market Stars Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	For the financial year ended 31 December 2021 Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(785,857)	(4,893)	(1,023,057)	1,107

European (ex UK) Income Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€	For the financial year ended 31 December 2021 Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(80,281)	(48,844)	2,168,761	(853,778)

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

Healthcare Blue Chip Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	98,902	(20,735)	(122,635)	4,399

Global Absolute Return Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Equity Price Risk				
Contracts for difference	16,861,732	(1,161,514)	(4,399,431)	3,732,919
Futures contracts	1,235,975	212,086	(3,909,900)	(121,488)
Options	1,624,718	–	–	–
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(4,291,187)	(1,276,538)	(788,995)	76,982

Global Convertible Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$	Realised gain/(loss) US$	Unrealised appreciation/ (depreciation) US$
Equity Price Risk				
Contracts for difference	(1,903,289)	(10,116,343)	(40,132,602)	15,968,207
Futures contracts	(26,341,805)	1,677,990	(64,693,168)	169,162
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(11,177,659)	(8,960,554)	319,057	(134,309)

Global Insurance Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
Foreign Currency Exchange Rates				
Forward foreign currency contracts	576,982	545,853	(1,042,066)	132,130

Global Technology Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) US$	For the financial year ended 31 December 2022 Unrealised appreciation/ (depreciation) US$	For the financial year ended 31 December 2021 Realised gain/(loss) US$	For the financial year ended 31 December 2021 Unrealised appreciation/ (depreciation) US$
Equity Price Risk				
Options	58,726,326	9,472,285	(146,753,475)	39,170,005
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(53,637,973)	(11,799,929)	(57,132,277)	4,317,725

Income Opportunities Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) GBP£	For the financial year ended 31 December 2022 Unrealised appreciation/ (depreciation) GBP£	For the financial year ended 31 December 2021 Realised gain/(loss) GBP£	For the financial year ended 31 December 2021 Unrealised appreciation/ (depreciation) GBP£
Equity Price Risk				
Futures contracts	589,052	77,467	19,209	40,033
Options	17,172	–	(7,368)	–
Foreign Currency Exchange Rates				
Forward foreign currency contracts	1,487,004	534,386	(228,574)	119,385

Japan Value Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) JPY¥	For the financial year ended 31 December 2022 Unrealised appreciation/ (depreciation) JPY¥	For the financial year ended 31 December 2021 Realised gain/(loss) JPY¥	For the financial year ended 31 December 2021 Unrealised appreciation/ (depreciation) JPY¥
Foreign Currency Exchange Rates				
Forward foreign currency contracts	1,265,105,443	(236,918,338)	695,032,790	149,849,218

North American Fund

Primary Underlying Risk	For the financial year ended 31 December 2022 Realised gain/(loss) US$	For the financial year ended 31 December 2022 Unrealised appreciation/ (depreciation) US$	For the financial year ended 31 December 2021 Realised gain/(loss) US$	For the financial year ended 31 December 2021 Unrealised appreciation/ (depreciation) US$
Foreign Currency Exchange Rates				
Forward foreign currency contracts	(12,650,824)	(3,425,983)	(8,926,306)	1,256,877

Notes to the Financial Statements continued

For the financial year ended 31 December 2022

16. Reconciliation to US GAAP continued

UK Value Opportunities Fund

	For the financial year ended 31 December 2022		For the financial year ended 31 December 2021	
Primary Underlying Risk	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
Foreign Currency Exchange Rates				
Forward foreign currency contracts	2,842	–	52,395	–

For detailed information on the fair value of derivatives by contract type as included in the Statement of Financial Position as of 31 December 2022 please refer to the Portfolio Statements.

17. Significant Events during the Financial year

Following Russia's invasion of Ukraine on 24 February 2022, various states have imposed sanctions and restrictions on the Russian state, Russian companies and individuals linked to Russia. The invasion has had a significant impact on markets with increased volatility, supply chain disruption and the potential to create severe disruption to oil, gas, and grain markets in particular.

The Funds have no direct exposure to Russia or Ukraine but the events have potential to impact global markets negatively. The Investment Managers are actively monitoring and continue to manage the Funds' assets within the investment and risk parameters that have been established and the Directors continue to monitor developments as feels like yesterday's news.

The following new share classes were launched during the year:

	Share Class	Launch Date
Global Absolute Return Fund	Class I Hedged GBP Distribution	28 June 2022
	Class I Hedged JPY Accumulation	28 June 2022
	Class I Hedged JPY Distribution	28 June 2022
	Class S Hedged GBP Distribution	28 June 2022
	Class S Hedged JPY Accumulation	28 June 2022
	Class S Hedged JPY Distribution	28 June 2022
	Class I USD Distribution	1 December 2022
	Class I Hedged GBP Distribution	28 June 2022
	Class I Hedged JPY Accumulation	28 June 2022
	Class I Hedged JPY Distribution	28 June 2022
	Class S Hedged GBP Distribution	28 June 2022
	Class S Hedged JPY Accumulation	28 June 2022
	Class S Hedged JPY Distribution	28 June 2022
	Class I USD Distribution	01 December 2022
Healthcare Blue Chip Fund	Class I EUR Hedged Accumulation	1 September 2022
	Class R Euro Accumulation	1 September 2022
	Class R US Dollar Accumulation	1 September 2022

	Share Class	Launch Date
Global Insurance Fund	Class I Hedged Portfolio Currency CH Accumulation	12 December 2022
	Class I Hedged EUR Distribution	30 November 2022
	Class I Hedged GBP Distribution	30 November 2022
Global Convertible Fund	Class Y GBP Distribution	1 December 2022
	Class SI GBP Distribution	1 December 2022
	Class Y Hedged Portfolio Currency GBP Distribution	1 December 2022

James Cayzer-Colvin resigned as a Director of the Company on 11 October 2022.

Polar Capital (Switzerland) AG was appointed as an investment manager by the Company on 30 November 2022.

Robert Bovet resigned as a Director and Chairman of the Company on 31 December 2022.

18. Subsequent Events

Karen Nolan was appointed as Chairperson on 21 February 2023.

Emerging Market ex-China Stars Fund was approved by the Central Bank as a new Fund on 6 March 2023.

19. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on 29 March 2023.

Statement of Significant Portfolio Movements (unaudited)

For the financial year ended 31 December 2022

Asian Stars Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
HDFC Bank ADR	3,748	SK Hynix	4,759
Tencent	3,392	Housing Development Finance	3,642
Hong Kong Exchanges & Clearing	3,096	ICICI Bank	2,813
Taiwan Semiconductor Manufacturing	2,989	Ping An Insurance	2,691
Allkem	2,898	Samsung Electronics	2,669
Ganfeng Lithium	2,870	OZ Minerals	2,539
Lynas Rare Earths	2,811	Andes Technology	2,227
Sea ADR	2,772	Leader Harmonious Drive Systems	2,222
Daejoo Electronic Materials	2,471	Ecopro BM	2,150
AIA	2,226	Longfor	2,098
Samsung Electronics	2,196	MediaTek	2,060
Andes Technology	1,963	Phoenix Mills	1,981
FPT	1,955	Mineral Resources	1,971
JD.Com Inc	1,899	DBS	1,890
DBS	1,833	Taiwan Semiconductor Manufacturing	1,877
Mineral Resources	1,691	Sungrow Power Supply	1,622
Meituan Dianping	1,682	Prestige Estates Projects	1,480
Silergy	1,646	Naver	1,367
Shenzhen Inovance Technology	1,637	ICICI Prudential Life Insurance	1,356
Sunteck Realty	1,631	Tencent	1,309
Sungrow Power Supply	1,594	Reliance Industries	1,293
Naver	1,475	ITM Semiconductor	1,273
Alibaba Group Holdings	1,454	Info Edge	1,221
Samsung SDI	1,448	Alibaba Health Information Technology	1,052
Vinhomes	1,244	AIA	1,025
City Developments	1,210	Koh Young Technology	948
eMemory Technology	1,124	Apollo Hospitals	941
OPT Machine Vision Tech	1,113	OPT Machine Vision Tech	849
MediaTek	1,109	Sea ADR	688
Reliance Industries	943	Seoul Viosys	686
Coforge Ltd	839		
Venus MedTech (HangZhou) Inc	799		
SK Hynix	716		

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.

Automation & Artificial Intelligence Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Baker Hughes	11,502	Amazon.com	14,828
DexCom Inc	9,425	Alphabet	13,159
Walmart	9,273	Tokyo Electron	12,677
Synopsys	6,765	Shin-Etsu Chemical	11,904
Meituan Dianping	6,589	NVIDIA	11,703
Veeva Systems	6,437	Seagate Technology	11,182
John Deere	6,416	Atlas Copco	10,679
DISCO	5,909	DexCom Inc	10,581
Alibaba ADR	5,556	ASML	10,502
MSCI	5,258	UnitedHealth Group Inc	9,261
ASM International	5,163	Taiwan Semiconductor Manufacturing	8,679
MercadoLibre	5,036	Microsoft	8,336
Atlas Copco	4,770	Rockwell Automation	8,030
Crowdstrike	4,738	Infineon Technologies	7,613
Adyen	4,522	Analog Devices	7,346
Kone	4,355	BYD Company	7,260
Intuitive Surgical	4,265	Airbnb Inc.	6,741
Compagnie Financiere Richemont	4,071	Daifuku	6,387
UiPath	3,912	TDK	6,171
Block Inc	3,822	Synopsys	6,044
Infineon Technologies	3,789	Toyota Industries	5,867
KLA Corp	3,711	KLA Corp	5,717
Nabtesco	3,685	Snap	5,613
DoorDash	3,547	MediaTek	5,574
Teradyne	3,157	Netflix	5,430
GMO Payment Gateway	3,107	Littelfuse	5,267
RELX	2,960	Thermo Fisher Scientific	5,130
Ritchie Bros Auctioneers	2,908	Cognex	5,046
Samsung Electronics	2,567	Siemens Healthineers	4,936
Ocado	2,408	Givaudan	4,810
Mastercard	2,365	FANUC	4,539
Microsoft	2,257	Schneider Electric	4,511
NVIDIA	2,151	Covestro	4,394
Rotork	2,068	Hamamatsu Photonics	4,288
ASML	2,067	Meta Platforms	4,278
		Micron Technology	4,257
		Brembo	3,751
		eMemory Technology	3,739
		MercadoLibre	3,650
		Dolby	3,558
		Qualcomm	3,554

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 2022

Biotechnology Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Neurocrine Biosciences	85,734	Horizon Therapeutics	106,206
Argenx	71,080	Biohaven Pharmaceutical	86,857
Sanofi	56,538	AstraZeneca	85,560
Incyte	54,343	Neurocrine Biosciences	81,070
Intra-Cellular Therapies	43,229	Regeneron Pharmaceuticals	66,970
Celldex Therapeutics	38,836	Global Blood Therapeutics	61,488
Regeneron Pharmaceuticals	37,006	Jazz Pharmaceuticals	49,084
Alnylam Pharmaceuticals	36,918	Myovant Sciences	48,979
Myovant Sciences	35,647	Exelixis	47,181
Seagen	34,171	Bristol-Myers Squibb	47,011
Pliant Therapeutics	33,618	Alnylam Pharmaceuticals	44,481
Intellia Therapeutics	33,592	Turning Point	37,252
Xenon Pharmaceuticals	33,576	Biogen	34,412
Harmony Biosciences	32,903	Argenx	33,931
BioMarin Pharmaceutical	32,753	Genmab	32,864
NanoString Technologies	32,475	United Therapeutics	32,623
Horizon Therapeutics	31,731	Cytokinetics	29,131
Rhythm Pharmaceuticals	29,926	Intellia Therapeutics	28,229
Arcutis Biotherapeutics	29,012	Arcutis Biotherapeutics	28,129
Valneva	27,559	Insmed	26,165
Biogen	25,564	Vertex Pharmaceuticals	25,691
Bicycle Therapeutics	23,254	BioMarin Pharmaceutical	25,617
Mirum Pharmaceuticals	22,282	Celldex Therapeutics	25,061
Day One Biopharmaceuticals	20,878	Synairgen	21,650
Insmed	20,861	Intra-Cellular Therapies	20,146
Alkermes plc	18,859	Bavarian Nordic	19,961
Merus	18,779	Blueprint Medicines	18,542
Exelixis	16,499	Zentalis Pharmaceuticals	16,247
Evotec	16,285	Incyte	15,827
Turning Point	15,846	Harmony Biosciences	14,945
Deciphera Pharmaceuticals	15,720		
Supernus Pharmaceuticals	15,716		
Zealand Pharma	15,224		
Genmab	15,209		
BELLUS Health	13,662		
Revance Therapeutics	12,591		

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.

China Stars Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Huazhu	836	Prosus	764
Prosus	797	JD.com Inc	757
China Merchants Bank Class A	776	China Resources Sanjiu Medical & Pharmaceutical	725
JD.com Inc	745	51job ADR	584
Tencent	676	NetEase ADR	535
Meituan Dianping Class B	589	BYD	532
Alibaba ADR	488	Alibaba ADR	479
Alibaba Group	472	China Construction Bank	464
Shenzhen Inovance Technology	463	Huazhu	443
China Meidong Auto	444	China State Construction Development	424
Hefei Meiya Optoelectronic Technology	440	Longfor	367
Anhui Conch Cement	434	Yunnan Baiyao	363
KE Holdings Inc	417	Tencent	310
Midea	413	S.F. Holding	272
NetEase ADR	413	Binjiang Service Group	260
S.F. Holding	407	KE Holdings Inc	257
Foshan Haitian Flavouring & Food	366	Anhui Conch Cement	257
Jiangsu Hengli Hydraulic	356	China Meidong Auto	254
Dadi Early-Childhood Education	332	Shenzhen Inovance Technology	254
STAAR Surgical	299	Gree Electric Appliancesof Zhuhai	250
Hong Kong Exchanges & Clearing	296	CLSA Global Market	245
Taiwan Semiconductor Manufacturing	294	STAAR Surgical	229
Tingyi (Cayman Islands) Holding	267	Haier Smart Home	215
China State Construction Development	258	Guangdong Kinlong Hardware Products	198
JD.com Inc Class A	254	CLSA OPT Machine Vision Tech	188
China Construction Bank	248	Kuaishou Technology	186
China Foods	242	Samsonite International	184
MediaTek Inc	228	ManpowerGreater China	181
Binjiang Service Group	227	Contemporary Amperex Technology	176
BYD	222	Jiangsu Hengrui Medicine	163
Hongfa Technology	211	China Merchants Bank Class H	158
Trip.com Group	210	China Merchants Bank Class A	153
Kuaishou Technology	204	MediaTek Inc	152
Contemporary Amperex Technology	198	JD.com Inc Class A	150
NetEase	195	Meituan Dianping Class B	141
Longfor	193	Jiangsu Hengli Hydraulic	132
Microport Cardioflow Medtech	182		
Ping An Insurance Groupof China Class H	180		
BeiGene	168		

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Emerging Markets Stars Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Itau Unibanco	29,493	Housing Development Finance	32,818
HDFC Bank	26,900	SK Hynix	28,128
Taiwan Semiconductor Manufacturing	22,929	ICICI Bank	26,099
Tencent	21,830	Samsung Electronics	21,293
Alinma Bank	21,168	Ping An Insurance	20,043
Samsung Electronics	19,912	Leader Harmonious Drive Systems	19,278
Ganfeng Lithium	19,181	Phoenix Mills	17,802
Globant	19,176	Longfor	16,843
Allkem	17,742	Ecopro BM	16,253
Sea ADR	17,381	Ivanhoe Mines	15,840
Raia Drogasil	16,652	EPAM Systems	13,981
Daejoo Electronic	16,600	Sungrow Power Supply	12,340
AIA	16,544	ITM Semiconductor	11,943
Grupo Financiero Banorte	16,234	Apollo Hospitals	10,819
JD.Com Inc	14,043	Yandex	10,294
Silergy	13,806	Itau Unibanco	10,266
Shenzhen Inovance Technology	13,621	Andes Technology	10,166
Lynas Rare Earths	12,717	MediaTek	9,228
Meituan Dianping	12,664	ICICI Prudential Life Insurance	9,011
Alibaba Group Holdings	12,161	Info Edge	8,694
TOTVS	10,831	Alibaba Health Information Technology	8,692
Sunteck Realty	10,626	Naver	7,346
Vinhomes	10,458	Fix Price Group Ltd	7,201
Samsung SDI	10,197	Prestige Estates Projects	7,054
FPT	10,185	Arco Platform	6,795
Housing Development Finance	10,145	Seoul Viosys	6,663
MercadoLibre	10,016	Americanas SA	6,443
Ivanhoe Mines	9,795	OPT Machine Vision Tech	5,504
Sungrow Power Supply	9,764	Koh Young Technology	4,717
Naver	9,689	Tencent	4,385
MediaTek	8,126		
Andes Technology	7,307		
Reliance Industries – Restricted	7,218		
OPT Machine Vision Tech	6,282		
Phoenix Mills	5,782		
Venus MedTech (HangZhou) Inc	5,736		
Americanas SA	5,713		

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European Ex UK Income Fund

Purchases	Cost EUR€'000	Sales	Proceeds EUR€'000
Zurich Insurance Group	5,785	Nestle	4,661
SGS	4,447	Unilever Plc	4,570
Brenntag	4,330	Anheuser-Busch InBev	3,666
Siemens	3,681	Sanofi	3,524
Deutsche Telekom	3,628	Red Electrica	3,436
Schneider Electric	3,486	TotalEnergies	3,309
Air Liquide	3,466	Roche	2,751
Sanofi	3,162	AXA	2,607
Roche	3,088	Muenchener Rueckversicherungs-Gesellschaftin Muenchen	2,386
LVMH Moet Hennessy Louis Vuitton	2,739	Novartis	2,329
Deutsche Post	2,440	SCOR	2,039
SCOR	2,434	Deutsche Telekom	2,000
Telenet	1,762	UPM-Kymmene	1,836
Novartis	1,678	Swiss Re	1,808
Swiss Re	1,621	Societe BIC	1,746
Muenchener Rueckversicherungs-Gesellschaftin Muenchen	1,609	Koninklijke KPN	1,645
UPM-Kymmene	1,466	Zurich Insurance Group	1,557
TotalEnergies	1,464	Orange	1,415
Danone	1,461	Vinci	1,319
Sampo Plc	1,409	Cia de Distribucion Integral Logista	1,225
Vinci	1,367	LVMH Moet Hennessy Louis Vuitton	1,224
Industria de Diseno Textil	1,265	Danone	1,208
Koninklijke KPN	1,243	Telenet	1,132
TRYG	1,090	Heineken	1,098
Orange	927	TRYG	976
Assa Abloy	858	NOS	641

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Financial Opportunities Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Wells Fargo	1,025	HDFC Bank ADR	949
HDFC Bank	952	Berkshire Hathaway	877
Berkshire Hathaway	934	PayPal	781
PayPal	925	Arch Capital	631
Caixabank	815	SVB Financial	619
SVB Financial	661	Chubb	591
DBS	637	JPMorgan Chase	591
JPMorgan Chase	632	Caixabank	552
Visa	604	East West Bancorp	544
Regions Financial	591	S&P Global	541
DNB	561	BNP Paribas	536
HSBC	477	Regions Financial	523
AIA	473	Intesa Sanpaolo SPA	510
Bank of America	469	Western Alliance Bancorp	493
Adyen	467	Signature Bank	476
FinecoBank SPA	460	Natwest	473
Marsh & McLennan Cos	458	UBS	459
WISE	431	First Republic Bank	453
Intact Financial	420	OSB	451
Prudential	398	Standard Chartered	448
Hong Kong Exchanges & Clearing	385	Lancashire	434
IndusInd Bank	384	Oversea-Chinese Banking	429
Kasikornbank Public Company	374	Intact Financial	425
Signature Bank	373	Housing Development Finance	422
MSCI	371	Citizens Financial	406
US Bancorp	369	Webster Financial	397
Chubb	366	Nordea Bank Abp	378
Toronto-Dominion Bank	358	HSBC	353
Intercontinental Exchange	352	ING Groep	349
East West Bancorp	345	Schwab Charles	348
Western Alliance Bancorp	338	PacWest Bancorp	341
Standard Chartered	334	Kasikornbank Public Company	332
AIB Group plc	330	Blackstone Group	329
Bank New York Mellon	329	Shinhan Financial	319
UBS	328	AIA	318
HDFC Bank ADR	318	Sampo	317
BOC Hong Kong	316	Mastercard	312
Schwab Charles	313	Bank of America	311
Comerica	301	Tisco Financial	310
Mastercard	300	Chailease	289

Purchases	Cost US$'000	Sales	Proceeds US$'000
Eurobank Holdings	296	WISE	288
First Republic Bank	279	Toronto-Dominion Bank	285
Mitsubishi UFJ Lease & Finance	276	Morgan Stanley	282
		Mitsubishi UFJ Lease & Finance	270
		Allfunds	268

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Global Absolute Return Fund

Purchases	Cost US$'000
Siemens Energy 5.63% 14/09/2025	11,295
Sika 0.15% 5/06/2025	11,004
JET2 1.63% 10/06/2026	7,504
Pirelli & C 0.00% 22/12/2025	7,392
Neoen 2.88% 14/09/2027	6,908
Cellnex Telecom 1.50% 16/01/2026	6,384
JPMorgan Chase Bank NA 0.00% 18/02/2024	5,831
Geely Sweden Finance 0.00% 19/06/2024	5,414
Wolfspeed 0.25% 15/02/2028	5,403
GMO Payment Gateway 0.00% 22/06/2026	5,371
Vertex Energy	5,352
Repligen 0.38% 15/07/2024	5,269
Ubisoft 2.38% 15/11/2028	5,033
Halozyme Therapeutics 1.00% 15/08/2028	5,018
Cutera 2.25% 1/06/2028	5,000
Innoviva 2.13% 15/03/2028	5,000
Xometry 1.00% 1/02/2027	5,000
Snap 0.13% 1/03/2028	5,000
New Mountain Finance 0.00% 15/10/2025	5,000
NCL 2.50% 15/02/2027	5,000
Capital & Counties Properties 2.00% 30/03/2026	4,922
Deutsche Post 0.05% 30/06/2025	4,874
Middle By 1.00% 1/09/2025	4,718
BofA Finance 0.60% 25/05/2027	4,635
Chart Industries	4,576
Oliver Capital 0.00% 29/12/2023	4,560
Marriott Vacations 3.25% 15/12/2027	4,500
Northern Oil & Gas 3.63% 15/04/2029	4,500
Royal Caribbean 6.00% 15/08/2025	4,500
Sunnova Energy International 2.63% 15/02/2028	4,500
Infinera 3.75% 1/08/2028	4,500
Cytokinetics 3.50% 1/07/2027	4,500
Axon Enterprise 0.50% 15/12/2027	4,500
Carnival 5.75% 1/12/2027	4,500
Semtech 1.63% 1/11/2027	4,500
Highbridge Tactical Credit Fund 0.00% 15/09/2027	4,500
Chefs' Warehouse 2.38% 15/12/2028	4,500
Lantheus 2.63% 15/12/2027	4,500
Sarepta Therapeutics 1.25% 15/09/2027	4,500
ZTO Express 1.50% 1/09/2027	4,500
Envestnet 2.63% 1/12/2027	4,500
indie Semiconductor 4.50% 15/11/2027	4,500
Post 2.50% 15/08/2027	4,499

Sales	Proceeds US$'000
Vertex Energy	7,328
Sika 0.15% 5/06/2025	7,159
Pirelli & C 0.00% 22/12/2025	6,441
Repligen 0.38% 15/07/2024	6,362
Mondelez 0.00% 20/09/2024	6,348
Cellnex Telecom 1.50% 16/01/2026	6,091
Wolfspeed 0.25% 15/02/2028	5,694
Global Blood Therapeutics 1.88% 15/12/2028	5,569
Cytokinetics 3.50% 1/07/2027	5,314
Cutera 2.25% 1/06/2028	5,302
Infinera 3.75% 1/08/2028	5,031
New Mountain Finance 0.00% 15/10/2025	5,000
Xometry 1.00% 1/02/2027	5,000
Innoviva 2.13% 15/03/2028	4,938
Royal Caribbean 6.00% 15/08/2025	4,892
International Consolidated Airlines 1.13% 18/05/2028	4,819
Envestnet 2.63% 1/12/2027	4,772
GMO Payment Gateway 0.00% 22/06/2026	4,723
Post 2.50% 15/08/2027	4,703
JPMorgan Chase Bank NA 0.00% 18/02/2024	4,702
Northern Oil & Gas 3.63% 15/04/2029	4,697
Highbridge Tactical Credit Fund 0.00% 15/09/2027	4,664
BofA Finance 0.60% 25/05/2027	4,570
NCL 2.50% 15/02/2027	4,542
Carnival 5.75% 1/12/2027	4,450
Semtech 1.63% 1/11/2027	4,402
CyberAgent 0.00% 17/02/2023	4,386
Archer Obligations 0.00% 31/03/2023	4,176
Snap 0.13% 1/03/2028	4,163
Koei Tecmo 0.00% 20/12/2024	4,148
Delivery Hero 0.25% 23/01/2024	3,979
JET2 1.63% 10/06/2026	3,925
MGp Ingredients 1.88% 15/11/2041	3,889
Deutsche Post 0.05% 30/06/2025	3,867
Chegg 0.13% 15/03/2025	3,836
Neoen 2.88% 14/09/2027	3,532
Lagfin 2.00% 2/07/2025	3,259
Halozyme Therapeutics 1.00% 15/08/2028	3,249
Basic-Fit 1.50% 17/06/2028	3,186
Sea 0.25% 15/09/2026	3,155
BP Capital Markets 1.00% 28/04/2023	3,122
Liberty Media 0.50% 1/12/2050	3,098
America Movil 0.00% 2/03/2024	3,090

Purchases	Cost US$'000	Sales	Proceeds US$'000
Archer Obligations 0.00% 31/03/2023	4,476		
Just Eat Takeaway 2.25% 25/01/2024	4,466		
Orpar SA 0.00% 20/06/2024	4,432		
Sasol 4.50% 8/11/2027	4,400		
CyberAgent 0.00% 17/02/2023	4,366		
Delivery Hero 0.25% 23/01/2024	4,327		
Mondelez 0.00% 20/09/2024	4,235		
Koei Tecmo 0.00% 20/12/2024	4,220		
Bloomin' Brands 5.00% 1/05/2025	4,217		

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Global Convertible Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
BP Capital Markets 1.00% 28/04/2023	51,549	2020 Cash Mandatory Exchangeable Trust	116,387
Siemens Energy Finance 5.625% 14/09/2025	34,868	PG&E	112,451
Lumentum 0.50% 15/06/2028	34,412	BP Capital Markets 1.00% 28/04/2023	36,806
Cellnex Telecom 0.50% 05/07/2028	31,309	Change Healthcare	36,547
Vail Resorts 0.00% 01/01/2026	28,766	Twitter 0.00% 15/03/2026	33,190
Blackline 0.00% 15/03/2026	27,420	JPMorgan Chase Bank NA 0.00% 18/2/2024	32,917
ZTO Express Cayman 1.5% 01/09/2027	27,253	Engie 0.00% 2/6/2024	32,794
Engie 0.00% 2/6/2024	26,784	Dermira 3.00% 15/05/2022	30,895
Akamai Technologies 0.13% 01/05/2025	26,569	Ionis Pharmaceuticals 0.00% 01/04/2026	30,227
ELM 3.25% 13/06/2024	25,863	Ford Motor 0.00% 15/03/2026	26,908
Ascendis Pharma 2.25% 01/04/2028	25,347	CSG Systems International 4.25% 15/03/2036	25,185
Snap 0.125% 01/03/2028	24,100	Snap 0.125% 01/03/2028	24,352
Chegg 0% 01/09/2026	23,362	BofA Finance 0.60% 25/05/2027	22,941
BofA Finance 0.60% 25/05/2027	23,175	Oliver Capital 0% 29/12/2023	22,579
Avalara 0.25% 01/08/2026	22,851	Globalwafers 0.00% 1/6/2026	22,206
Wolfspeed 0.25% 15/02/2028	22,209	Wolfspeed 0.25% 15/02/2028	21,407
Oliver Capital 0% 29/12/2023	21,378	ELM 3.25% 13/06/2024	21,340
Coupa Software 0.38% 15/06/2026	21,246	Lumentum 0.50% 15/06/2028	20,655
JET2 1.625% 10/06/2026	20,924	Deutsche Post 0.05% 30/06/2025	20,588
Coupa Software 0.125% 15/06/2025	20,297	Dish Network 0.00% 15/12/2025	20,497
STMicroelectronics 0.000% 04/08/2025	19,957	Array Technologies 1.00% 01/12/2028	20,316
Capital & Counties Properties 2.000% 30/03/2026	19,828	Avalara 0.25% 08/01/2026	19,726
BioMarin Pharmaceutical 0.599% 01/08/2024	19,631	Bill.com 0.00% 01/04/2027	19,440
Guardant Health 0.00% 15/11/2027	19,530	Electricite de France 0.000% 14/09/2024	18,957
Sail Vantage 0.00% 13/01/2027	18,949	Ringcentral 0.00% 01/03/2025	18,886
Basic-Fit 1.5% 17/06/2028	18,671	Capital & Counties Properties 2.000% 30/03/2026	18,695
SBI 0.00% 13/09/2023	18,089	Coupa Software 0.38% 15/06/2026	18,567
JPMorgan Chase Bank NA 0.00% 18/2/2024	18,049	Global Blood Therapeutics 1.875% 15/12/2028	18,542
Sasol Financing USA 4.5% 08/11/2027	18,000	JET2 1.625% 10/06/2026	18,371
Wolfspeed 1.875% 01/12/2029	17,500	Veolia Environment 0% 01/01/2025	18,226
Pharmaron Beijing 0.00% 18/06/2026	17,386		
Cerevel Therapeutics 2.5% 08/15/2027	17,162		

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Global Insurance Fund

Purchases	Cost* GBP £'000	Sales	Proceeds GBP £'000
Trupanion	50,881	Alleghany	110,503
Hagerty	38,720	Lodgepine 2021	6,361
RenaissanceRe	34,962	Kinesis 2021	4,823
Essent	34,531	Reinsurance of America	4,536
Markel	30,282	Arch Capital	3,192
Ryan Specialty Group	27,302	Chubb	2,914
Marsh & McLennan Cos	26,952	Fairfax Financial	2,822
First American Financial	24,632	Marsh & McLennan Cos	2,737
Reinsurance of America	21,092	Travelers Cos	1,936
ProAssurance	18,255	AlphaCat Opportunities II	1,685
Direct Line Insurance	16,889	Markel	1,191
AIA	16,372	Berkshire Hathaway	1,165
Beazley	15,226	AlphaCat Opportunities	863
Lancashire	15,081	AlphaCat Opportunities 2019	602
Arch Capital	13,577	Kinesis 2020	481
Prudential	13,434	Kinesis	69
Travelers Companies	11,224		
Fairfax Financial	10,060		
Intact Financial	9,705		
Chubb	9,541		
Everest Re	8,405		
Aflac	6,528		
Progressive Corp	6,143		
WR Berkley	5,614		
James River	5,350		
Aon	4,973		

* Includes all purchases.

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Global Technology Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Shopify	143,228	Amazon.com	193,505
Advanced Micro Devices	112,327	Alphabet	192,918
Snap	112,264	Alphabet	192,682
HubSpot	107,397	Seagate Technology	166,504
Snowflake Inc.	107,122	Meta Platforms	164,545
Cloudflare	102,935	Microsoft	159,056
Alibaba ADR	101,893	NVIDIA	138,532
Palo Alto Networks	99,426	ON Semiconductor	134,180
Crowdstrike	99,415	Snap	130,315
Amazon.com	95,534	Micron Technology	121,875
Monolithic Power Systems	94,312	Arista Networks	118,921
ServiceNow	92,990	Adobe	111,895
SiTime	92,804	Okta	106,781
salesforce.com	90,001	Marvell Technology	105,208
Visa	89,477	Qualcomm	103,435
SolarEdge Technologies	88,889	Airbnb Inc.	96,550
Meta Platforms	86,644	Pure Storage	95,441
KLA Corp	76,730	Snowflake Inc.	95,143
Tesla Inc.	73,887	Applied Materials	94,644
Zoom Video Communications	72,449	Advanced Micro Devices	93,688
Enphase Energy	71,891	Zoom Video Communications	91,280
Synopsys	70,492	MongoDB	90,533
Qualcomm	70,216	salesforce.com	90,415
Unity Software	68,598	ServiceNow	89,434
MercadoLibre	68,450	Roblox	87,443
Airbnb Inc.	66,748	Netflix	84,190
Gitlab Inc.	66,137	Zendesk	83,240
Pure Storage	66,037	Tokyo Electron	82,323
NVIDIA	63,582	Five9	81,124
Roblox	60,666	Taiwan Semiconductor Manufacturing	78,724
Lattice Semiconductor	57,745	TripAdvisor	74,913
MongoDB	56,067	Tesla Inc.	74,212
Globant	55,997	Crowdstrike	69,951
Elastic	54,679	Apple	67,985
Smartsheet Inc.	54,672	Lattice Semiconductor	67,492
Microsoft	52,506	TE Connectivity	67,369
Marvell Technology	52,221	KLA Corp	67,031

Purchases	Cost US$'000	Sales	Proceeds US$'000
Meituan	51,522	HelloFresh SE	66,251
eMemory Technology	49,461	Synopsys	64,409
Arista Networks	49,457	HubSpot	62,775
Pinterest Inc.	48,129		
Atlassian	47,606		
CyberArk Software	47,261		
Teradyne Inc.	45,997		

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Healthcare Blue Chip Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
UnitedHealth Group Inc	12,016	UnitedHealth Group Inc	7,804
Eli Lilly	11,255	STERIS Plc	5,745
AbbVie	11,215	Bristol-Myers Squibb	5,706
Novartis	10,738	Horizon Therapeutics	5,639
Johnson & Johnson	7,132	Molina Healthcare	5,541
AstraZeneca	6,720	Envista	5,152
Sanofi	6,577	Abbott Laboratories	5,012
HCA Healthcare	6,561	Biohaven Pharmaceutical	4,123
Seagen	5,913	Baxter International	3,885
Daiichi Sankyo	5,836	UCB	3,717
Incyte	5,527	AstraZeneca	3,624
Humana	5,516	Genmab	3,589
Alcon	5,515	DexCom Inc	3,579
Penumbra	5,456	Hologic	3,514
Lonza Group	5,404	Sanofi	3,454
Option Care Health	5,398	The Cooper Companies	3,428
Argenx	5,199	Align Technology	3,427
Cytokinetics	5,184	Encompass Health	3,325
Swedish Orphan Biovitrum	5,102	Argenx	3,283
Astellas Pharma	5,089	Siemens Healthineers	3,234
DexCom Inc	5,047	Humana	3,102
Sartorius	5,023	Chugai Pharmaceutical	3,089
BioMerieux	4,896	AmerisourceBergen	2,768
Coloplast	4,516	Zimmer Biomet	2,749
Bio-Rad Laboratories	4,483	Seagen	2,596
Molina Healthcare	4,388	Johnson & Johnson	2,554
Tenet Healthcare	4,146	Alnylam Pharmaceuticals	2,326
Max Healthcare Institute	3,924	Ramsay Health Care	2,244
Chugai Pharmaceutical	3,868	Amedisys	2,229
Avantor	3,836	Penumbra	2,164
Horizon Therapeutics	3,526	United Therapeutics	1,844
Envista	3,481	Acadia Healthcare	1,824
Genmab	3,214	Centene	1,649
Boston Scientific	3,159	Bio-Rad Laboratories	1,535
STERIS Plc	3,125	HCA Healthcare	1,440
AptarGroup	2,738	AptarGroup	1,425
United Therapeutics	2,648	Daiichi Sankyo	1,373
Siemens Healthineers	2,456		
Acadia Healthcare	2,255		
UCB	2,234		

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Healthcare Discovery Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Repligen	1,285	Biohaven Pharmaceutical	2,443
iRhythm Technologies	1,218	United Therapeutics	2,052
Swedish Orphan Biovitrum	1,183	Lantheus	1,718
Intellia Therapeutics	1,082	Arena Pharmaceuticals	1,681
Revance Therapeutics	1,028	Envista	1,611
Pacira BioSciences	793	Exelixis	1,551
Omnicell	786	Encompass Health	1,477
Guardant Health	777	Acadia Healthcare	1,440
Organon	726	Conmed	1,355
Privia Health Group	705	Shockwave Medical	1,288
QuidelOrtho	646	Laboratorios Farmaceuticos Rovi	1,285
Azenta	629	Richter Gedeon Nyrt	1,217
Cerevel Therapeutics	607	Hikma Pharmaceuticals	1,203
Valneva	591	Owens & Minor	1,202
Surgery Partners	575	Pacira BioSciences	1,158
Allscripts	527	Option Care Health	1,073
Zai Lab	500	LivaNova	970
Cerus	486	Meridian Bioscience	953
Shockwave Medical	475	Arcutis Biotherapeutics	894
Max Healthcare Institute	452	Gerresheimer	832
Cytokinetics	444	Syneos Health	820
Arcutis Biotherapeutics	423	Repligen	782
Supernus Pharmaceuticals	421	Intellia Therapeutics	662
Health Catalyst	412	HealthEquity	649
Harmony Biosciences	406	Mirati Therapeutics	640
Natera	397	Establishment Labs	623
AtriCure	353	Medley	564
Ortho Clinical Diagnostics	352	Guardant Health	535
Zealand Pharma	352	Vericel	535
BELLUS Health	342	Adicet Bio	529
Evolent Health	342	NanoString Technologies	501
Tandem Diabetes Care	339	Denali Therapeutics	493
Xenon Pharmaceuticals	328	Societal CDMO	490
Bavarian Nordic	325	Inspire Medical Systems	482
Intra-Cellular Therapies	321	ALK-Abello	480
Penumbra	304	iRhythm Technologies	448
Apellis Pharmaceuticals	303	Horizon Therapeutics	437
Bruker	299		
Zealand Pharma	274		
Global Health /India	269		
Zealand Pharma	255		

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Healthcare Opportunities Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Swedish Orphan Biovitrum	73,143	Biohaven Pharmaceutical	81,118
AstraZeneca	66,816	AstraZeneca	73,645
Bayer	54,926	Horizon Therapeutics	71,519
Astellas Pharma	54,581	CVS Health	66,364
Becton Dickinson	52,260	STERIS Plc	55,980
Argenx	42,810	UCB	52,901
Alkermes plc	41,914	Bayer	48,394
Penumbra	34,637	Alcon	45,429
Legend Biotech	33,725	Envista	38,096
DexCom Inc	33,671	Encompass Health	37,282
Intuitive Surgical	32,516	The Cooper Companies	36,891
Daiichi Sankyo com	31,445	ALK-Abello	34,030
Revance Therapeutics	21,364	Genmab	33,000
Max Healthcare Institute	20,081	AptarGroup	32,460
Tenet Healthcare	19,158	Modivcare	30,229
UCB	18,105	Richter Gedeon	29,870
Global Health /India	15,045	AtriCure	24,138
TransMedics	14,000	AngioDynamics	21,557
Zealand Pharma	13,208	TransMedics	18,786
Zealand Pharma AS	12,097	Molina Healthcare	14,176
Xenon Pharmaceuticals	10,442	Surgery Partners	12,879
		Glenmark Life Sciences	11,937
		Tenet Healthcare	11,468

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Income Opportunities Fund

Purchases	Cost £'000
Greencoat Renewables	1,037
Aviva 6.875% 31/12/2049	839
Barclays 8.875% 31/12/2049	829
AIB Group 6.25% 31/12/2049	825
Schroders	784
NatWest 5.125% 31/12/2049	728
Intercontinental Exchange	715
Lancashire 5.625% 18/09/2041	705
Nationwide Building Society 5.75% 31/12/2049	692
Cooperatieve Rabobank 4.875% 31/12/2049	679
BlackRock	637
IG 3.125% 18/11/2028	615
Credit Suisse 6.25% 29/12/2049	612
DBS	582
Mastercard	579
AIB Group	545
United States Treasury Inflation Indexed Bonds 1.002% 15/01/2029	532
Nationwide Building Society 10.25% 29/06/2049	517
UBS 5% 31/12/2049	508
CaixaBank 5.875% 09/10/2027	460
Utmost Group 6.125% 31/12/2049	449
United Kingdom Gilt Inflation Indexed Bonds 1.054% 22/11/2042	443
Hibernia	441
Visa	441
NatWest 2.105% 28/11/2031	436
Coface 6% 22/09/2032	432
Phoenix 5.625% 28/04/2031	427
Markel	427
Pension Insurance 3.625% 21/10/2032	425
KBC Group	414
United Kingdom Gilt Inflation Indexed Bonds 0.189% 22/03/2029	406
Bayport Management 13% 20/05/2025	405
United Kingdom Gilt Inflation Indexed Bonds 0.16% 08/10/2028	401

Sales	Proceeds £'000
Schroders	1,335
Toronto-Dominion Bank	1,076
ING Groep	1,013
Singapore Government Bond 2.75% 01/07/2023	884
Bayport Management 11.5% 14/06/2022	881
SLR Investment	846
Stichting AK Rabobank Certificaten FRN 6.5% 31/12/2049	845
JPMorgan Chase	817
Arch Capital	709
BlackRock	698
Singapore Government Bond 3% 01/09/2024	653
Hibernia	607
Skandinaviska Enskilda Banken	605
Greencoat Renewables	593
Intercontinental Exchange	586
OCBC Bank	579
Flow Traders	564
Fortune REIT	556
United States Treasury Inflation Indexed Bonds 1.032% 15/01/2029	555
Chubb	534
Mastercard	521
City of London Investment	468
Provident Financial	458
United Kingdom Gilt Inflation Indexed Bonds 0.16% 08/10/2028	449
United Kingdom Gilt Inflation Indexed Bonds 0.189% 22/03/2029	441
Blackstone Group	429
East West Bancorp	425
United Kingdom Gilt Inflation Indexed Bonds 1.054% 22/11/2042	423
Markel	415
OSB	394
Bayport Management 13% 20/05/2025	385
Sampo Plc	364
International Personal Finance	362

Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Income Opportunities Fund continued

Purchases	Cost £'000	Sales	Proceeds £'000
Phoenix Spree Deutschland	384	Amundi	351
Chesnara 4.75% 04/08/2032	384	First Republic Bank	344
Amundi	380	KBC Group	316
Pension Insurance FRN (Perpetual) 7.375% 31/12/2049	376	Provident Financial 8.875% 13/01/2032	312
Rothesay Life 5% 31/12/2049	373	Riverstone Credit Opportunities Income Fund	295
First Republic Bank	368	CaixaBank	294
Rothesay Life FRN (Perpetual) 6.875% 31/12/2049	365	Wells Fargo	287
Legal & General 5.625% 29/12/2049	358	West Bromwich Building Society	285
Hannover Rueck SE	350	Personal	279
Permanent TSB 13.25% 31/12/2049	348	Tufton Oceanic Assets Fund	273
CaixaBank	343		
West Bromwich Building Society	298		
Investec 9.125% 06/03/2033	298		

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Japan Value Fund

Purchases	Cost JPY¥'000	Sales	Proceeds JPY¥'000
Toshiba	1,249,152	Lifedrink	921,616
TDK	697,989	TDK	893,875
Concordia Financial	680,968	SoftBank Group	811,084
MinebeaMitsumi	680,211	Alps Alpine	781,728
Sumitomo Mitsui Financial	623,260	DTS	621,331
Tokai Corp (Gifu)	493,619	WingArc1st	554,783
NICHIAS	487,913	Secom	548,544
Toyo Tire	448,059	Honda Motor	527,061
Tsumura & Co	434,977	Optex	502,933
Medikit	405,385	Suntory Beverage & Food	472,413
Daiei Kankyo Co Ltd	405,000	Kissei Pharmaceutical	463,088
WingArc1st	372,624	Hogy Medical	455,542
Anest Iwata	364,186	SKY Perfect JSAT	411,504
Bank of Kyoto	332,953	Mabuchi Motor	394,415
Secom	295,177	Infroneer Holdings	388,147
SK Kaken	286,337	Conexio	373,608
United Arrows	275,051	Socionext	356,149
Suzuki Motor	248,395	Suzuki Motor	333,987
Nitto Kohki	234,557	Toshiba	329,608
Skymark Airlines Inc	234,000	Tokio Marine	324,170
Socionext	233,965	Shimamura	301,137
Amuse	229,521	Ines	266,242
Honda Motor	224,954	United Arrows	221,909
Topre	180,633	Daiei Kankyo Co Ltd	201,861
Pasco	180,540	San-A	165,892
Daiwa Industries	157,993	Nohmi Bosai	138,387
Aeon Delight	157,494	TS Tech	130,212
NS Solutions	137,239		
Tanseisha	122,440		

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

North American Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Northern Trust	73,995	Northern Trust	42,661
Cenovus Energy	26,468	Amazon.com	26,469
Ovintiv	23,651	Arch Capital	22,758
Netflix	20,149	Anthem	22,096
Amdocs	18,691	Taylor Morrison Home	20,839
Booking	18,479	Meta Platforms	20,480
Union Pacific	17,050	Canadian Natural Resources	20,072
Norfolk Southern	16,857	S&P Global	20,000
First Republic Bank	16,047	Alphabet	19,571
RenaissanceRe	15,415	Signature Bank	18,870
Teck Resources	12,569	Netflix	18,472
Sabre	10,662	LPL Financial	17,883
Cannae	10,243	Citigroup	17,683
Intercontinental Exchange	9,867	T-Mobile US	17,372
Signature Bank	9,439	Medtronic	17,330
Fiserv	8,896	Samsonite International	16,683
ICON	8,199	Travelers Companies	16,296
S&P Global	6,851	Dolby Laboratories	15,700
Travelers Companies	6,499	Zuora	15,668
Ametek	5,821	Service Corporation International	15,012
Alphabet	5,750	Envista	13,917
Visa	5,488	ICON	13,105
Canadian Natural Resources	4,751	Microsoft	13,050
Centene	4,566	Booking	11,190
US Foods	4,530	Ametek	10,315
Citigroup	4,442	Grupo Cementos de Chihuahua	9,981
Affiliated Managers	4,084	Cenovus Energy	9,798
		IAC/InterActiveCorp	9,520
		Qualcomm	8,789
		US Foods	8,647
		LiveRamp Holdings	8,224
		Mohawk Industries	7,936
		Fiserv	7,858
		TE Connectivity	7,796
		Littelfuse	7,423
		Liberty Media	6,458

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Smart Energy Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
Marvell Technology	10,614	Enphase Energy	11,563
Enphase Energy	10,461	ON Semiconductor	8,836
SolarEdge Technologies	10,085	NIO ADR	6,881
Lattice Semiconductor	9,715	Power Integrations	6,006
MP Materials	9,420	Xpeng Motors ADR	5,905
Plug Power	9,066	Plug Power	5,889
ON Semiconductor	9,023	Livent	5,439
NIO ADR	7,350	SolarEdge Technologies	5,405
Vertiv Holdings	6,865	Lattice Semiconductor	5,005
Qorvo	6,783	First Solar	4,915
First Solar	6,151	Marvell Technology	4,548
Livent	5,756	Albemarle	4,519
Infineon Technologies	5,706	MP Materials	4,507
Power Integrations	5,677	Qorvo	3,662
Hydro One	5,637	Array Technologies	3,358
Xpeng Motors ADR	5,408	AIXTRON	3,208
Cognex	4,977	Vertiv Holdings	3,011
Array Technologies	4,795	Maxeon Solar Technologies	2,632
Renesas Electronics	4,790	SunPower	2,581
Albemarle	4,535	Monolithic Power Systems	2,363
Analog Devices	4,490	Nordex	2,038
Boralex	4,390	Acciona Energias Renovables	1,992
AIXTRON	4,323	Xilinx	1,963
Monolithic Power Systems	4,294	Analog Devices	1,892
Keyence	4,283	Rohm	1,841
Alstom	4,232	Alstom	1,831
Delta Electronics	4,209	Infineon Technologies	1,775
Nexans	4,193	Nexans	1,761
SunPower	4,191	RENOVA	1,643
Nordex	4,038	Hydro One	1,635
Sunrun	4,014	Boralex	1,539
Silergy	3,927	Niu Technologies	1,504
STMicroelectronics	3,673	Navitas Semiconductor	1,496
Linde	3,504		
Maxeon Solar Technologies	3,083		
ABB	2,996		
Acciona Energias Renovables	2,979		
Itron	2,948		
Schneider Electric	2,808		
Rohm	2,660		

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Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

Smart Mobility Fund

Purchases	Cost US$'000	Sales	Proceeds US$'000
MP Materials	1,728	NIO ADR	1,538
NIO ADR	1,642	Livent	1,511
Uber	1,508	ON Semiconductor	1,432
Plug Power	1,285	Albemarle	1,371
Albemarle	1,256	Xpeng Motors ADR	1,204
SolarEdge Technologies	1,252	MP Materials	1,147
Livent	1,206	Uber	1,067
ON Semiconductor	1,066	Plug Power	1,013
Xpeng Motors ADR	1,063	SolarEdge Technologies	967
Analog Devices	1,022	Power Integrations	906
u-blox	846	Analog Devices	790
Trimble	768	Monolithic Power Systems	713
Infineon Technologies	693	u-blox	574
Visteon	676	Infineon Technologies	547
Aptiv	650	Visteon	493
Power Integrations	642	Alstom	480
NXP Semiconductors	627	Stadler Rail	478
Alstom	609	Niu Technologies	421
STMicroelectronics	577	TE Connectivity	404
Niu Technologies	554	STMicroelectronics	391
Renesas Electronics	501	Schneider Electric	311
Stadler Rail	492	Linde	303
Schneider Electric	491	Trimble	265
Monolithic Power Systems	468	Rohm	255
TE Connectivity	433	Aptiv	254
Linde	368	Denso	249
ABB	361	BYD	249
BYD	336	ABB	226
Air Products and Chemicals	329	Renesas Electronics	222
Contemporary Amperex Technology Co Ltd	318		
Nidec	315		
Delta Electronics	311		
LG Energy Solution	281		

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UK Value Opportunities Fund

Purchases	Cost US$'000
GSK	33,335
JD Sports Fashion	32,866
Howdens Joinery	32,029
Marshalls	31,576
Harbour Energy	29,713
Next	29,424
Gamma Communications	28,913
BAE Systems	24,520
Luceco	20,133
Redrow	20,066
GSK Plc	17,765
B&M European Value Retail	17,242
Shell	16,621
Dunelm	16,267
Marks & Spencer	13,459
Computacenter	11,184
Barclays	11,018
Mondi	9,982
Hill & Smith	9,831
Schroders	9,068
WPP	9,013
Morgan Sindall	8,943
OSB	8,383
Beazley	7,515
SThree	7,234
SigmaRoc	7,066
Natwest	6,548
Grafton	6,318
Serica Energy	5,736

Sales	Proceeds US$'000
AstraZeneca	31,605
Rio Tinto	26,856
Hikma Pharmaceuticals	25,753
Harbour Energy	25,476
HSBC	23,853
Mitchells & Butlers	23,574
Investec	22,958
Schroders	22,318
Virgin Money UK	22,030
Legal & General	21,369
Natwest	20,410
Beazley	20,077
QinetiQ	19,832
Serica Energy	19,075
Taylor Wimpey	18,533
Lancashire	17,836
Computacenter	16,966
Hilton Food	16,516
Reckitt Benckiser	16,448
Standard Chartered	16,178
Tesco	16,022
Forterra	15,722
Mondi	15,605
CMC Markets	15,483
TT Electronics	15,406
GSK	15,086
Brewin Dolphin	14,723
Spirent Communications	13,845
Alliance Pharma	13,434
3i	13,039
B&M European Value Retail	12,519
Restore	12,501
Greencore	12,298
Central Asia Metals	11,866

Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2022

UK Value Opportunities Fund continued

Purchases	Cost US$'000	Sales	Proceeds US$'000
		Jadestone Energy	11,635
		OSB	11,282
		Atalaya Mining	11,012
		Marks & Spencer	10,635
		Premier Foods	10,104
		Barclays	9,408
		Anglo American	9,336
		Cranswick	8,787

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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 Securities Services, Paris, Succursale de Zurich, 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 Securities Services' address. Investors can obtain free of charge, the prospectus, the simplified prospectus (both also available for potential investors), 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.

Following a directive of the Swiss Funds Association dated 27 July 2004, 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

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 2022.

The TERs for each Fund for the current and prior period are as follows:

	31 December 2022		31 December 2021	
Name of Fund	TER (excluding performance fee) in %	TER (including performance fee) in %	TER (excluding performance fee) in %	TER (including performance fee) in %
Asian Stars Fund	0.54	0.54	0.53	1.42
Automation & Artificial Intelligence Fund	0.67	0.67	0.61	0.61
Biotechnology Fund	1.28	1.54	1.31	1.61
China Stars Fund	0.61	0.88	0.63	0.63
Emerging Market Stars Fund	0.90	0.90	1.57	1.83
European ex UK Income Fund	1.10	1.10	1.05	1.05
Financial Opportunities Fund	1.04	1.04	2.04	2.04
Global Absolute Return Fund	0.88	0.93	0.90	1.17
Global Convertible Fund	0.95	0.96	1.02	1.02
Global Insurance Fund	0.87	0.94	0.86	0.86
Global Technology Fund	1.30	1.30	1.28	1.28
Healthcare Blue Chip Fund	0.73	0.73	0.69	0.69
Healthcare Discovery Fund	0.84	1.60	0.81	0.81
Healthcare Opportunities Fund	1.18	1.18	1.17	1.17
Income Opportunities Fund	1.07	1.55	1.10	1.13
Japan Value Fund	0.97	0.97	0.90	0.90
North American Fund	0.75	0.75	0.75	0.75
Smart Energy Fund	1.22	1.22	0.25	0.25
Smart Mobility Fund	1.00	1.00	0.25	0.25
UK Value Opportunities Fund	0.72	0.72	0.67	0.89

The Total Expense Ratio is calculated after an adjustment for swing pricing.

PEA Compliance (unaudited)

The European (ex UK) Income Fund is Plan d'Epargne 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 financial year ended 31 December 2022 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 2022	% PEA Eligible Assets 31 December 2021
European Income (ex UK) Fund	80.16%	81.03%

Appendix I – UCITS V 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 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

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	€3,339,320	€2,927,820	€411,500
Senior Management (including executives), risk takers and other identified staff	8	€1,208,015	€946,015	€262,000

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://bridgefundmanagement.mjhudson.com/

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 2022, 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 2022.

Global Data

Type of Asset	Absolute Amount	Proportion of AUM (%)
Contracts for difference		
Global Absolute Return Fund	$83,420,046	26.86%
Global Convertible Fund	$42,985,539	2.69%

Concentration Data

	Collateral Issuers	Volume of the collateral securities and commodities
1	UBS AG	($36,398,464)

The gross volume of outstanding trades with each counterparty across all SFTs is as follows:

	Counterparty	Gross volume of outstanding trades*
Contracts for difference		
Global Absolute Return Fund	UBS AG	$83,420,046
Global Convertible Fund	UBS AG	$42,985,539

* 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
Global Absolute Return Fund						
UBS AG	Cash	Multiple	>1 year	>1 year	Switzerland	Bilateral
Global Convertible Return Fund						
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)

	Absolute Returns		Overall returns
Contracts for difference	Return	Cost	%
Global Absolute Return Fund	$20,594,651	($1,133,139)	100
Global Convertible Fund	$15,968,207	($5,380,535)	100

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) (unaudited) continued

Asian 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 - Asian Stars Fund (the "Fund")
Legal entity identifier: 549300KAEBRJQSPZT179

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 38% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments 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 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 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 14 new stocks and exited 17 positions.

There is one significant feature which impacted a number of the upgrade/downgrade scores for a range of the Fund's portfolio companies over the period on a one-off basis. Over the year meaningful enhancements were made to the rigour of the scoring process in order to increase robustness, consistency and

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

comparability across the investment universe as well as to more effectively incorporate better proprietary datasets into E&S scores and incorporate a new checklist system into the way governance and business ethics are assessed for all companies.

The Investment Manager therefore expects to continue to see small changes in the sustainability indicators at the portfolio level going forward, 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.

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 the table below[1]:

	2022	
	Current Level	**Future Direction**
Impact on progress	7.54	7.81
Environmental	5.92	6.63
Social	6.62	6.90
Governance	7.25	7.30
Business ethics	6.90	7.03

	% Fund[2]
Positive Delta: Level < Direction	67.5%
Stable Delta: Level = Direction	32.5%
Negative Delta: level > Direction	0.0%

[1] 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).

[2] The tables shows the percentage of the Fund's assets as at 31 December 2022, 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[3]:

	2021		2022	
	Current Level	Future Direction	Current Level	Future Direction
Impact on progress	7.39	7.70	7.54	7.81
Environmental	6.28	6.72	5.92	6.63
Social	6.82	7.17	6.62	6.90
Governance	7.16	7.43	7.25	7.30
Business ethics	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.

	Current Level 2021	Upgrade	Portfolio Change	Current Level 2022	Future Direction 2021	Upgrade	Portfolio Change	Future Direction 2022
Impact on progress	7.39	0.27	-0.12	7.54	7.70	0.19	-0.08	7.81
Environmental	6.28	-0.45	0.09	5.92	6.72	-0.17	0.08	6.63
Social	6.82	-0.17	-0.02	6.62	7.17	-0.28	0.01	6.90
Governance	7.16	0.00	0.09	7.25	7.43	-0.23	0.11	7.30
Business ethics	6.75	0.08	0.07	6.90	6.99	-0.08	0.12	7.03

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 relatively stable from the previous period to the reference period. Nine out of these ten individual indicators (5 metrics across level and direction) have seen movement of less than +/- 0.20 from the reference period, with one recording a contraction of -0.36 (Environmental, as discussed below) for its Current Level.

Impact on Progress

The Fund's Impact on Progress score increased the most of any over the reference period, up by 0.15 for Current Level and 0.11 for Future Direction as compared with 2021, to 7.54 and 7.81, as shown in the summary table above.

In both cases this improvement came entirely from upgrades within existing holdings, as the effect from portfolio changes was very slightly negative in each case.

The largest contributors to improving scores came from Apollo Hospitals, following a visit to India as well as engagement with management which gave a fuller appreciation of Apollo's leadership in and exposure to the Investment Manager's health and wellness sub-area. This made it deserving of the highest score: an upgrade from 8 to 10 on Current

[3] Please note the figures shown for 2021 in this table differ slightly to those shown in the Asian Stars Fund 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

Level and Future Direction. Apollo is trying to accelerate work to increase the accessibility and affordability of the Indian healthcare ecosystem by expanding its overall network, developing new technologies and rolling out telemedicine nationally – with the potential to improve health outcomes and allow patients to recover faster or prevent illness and remain healthier.

Samsung Electronics was also upgraded from 7 to 9 (for both Current Level and Future Direction) during the review period as under the upgrades to the Investment Manager's methodology, the Investment Manager linked scoring for Impact on Progress more directly with the capital expenditure, revenue and operational expenditure of business areas deemed eligible for inclusion under this indicator.

As a global leader in the memory semiconductor industry, Samsung Electronics plays a central role in not only supplying current memory technology but also in developing future technologies. These future technologies contribute to climate change mitigation by providing low-power, high efficiency data storage which will reduce the carbon emissions associated with these devices. The semiconductor business only makes up ~30% of revenue but the company spends ~90% of its capex investments and almost all its R&D spend on these future technologies which is why the Investment Manager scores the company in the Exceptional range.

These positive moves outweighed small downgrades to scores for other companies.

Environmental

The Environmental Current Level indicator was something of an anomaly, deteriorating by 0.36 from 6.28 to 5.92, the most of any indicator over the review period, whilst the Future Direction indicator was relatively more stable, declining only -0.09 from 6.72 to 6.63. These changes were again driven almost entirely by existing holdings, which the Investment Manager concluded to be, for the most part, a function of their assessment against the revised methodology which enables the Investment Manager to make better, stricter interpretations of the ways the portfolio companies are performing on their material environmental factors in both absolute and industry relative terms.

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 (9th and 29th percentile vs. peers, respectively) and behind trend initiatives on energy mix. These factors, together with the fact that this year the Investment Manager's scores are portfolio weighted rather than a simple average, mean that the low Current Level scores for Alibaba (3.5) and Tencent (3) dominate the downgrades here. The positive is that both companies have made significant future commitments, with stated net carbon zero targets, and this is why there is a much less marked effect on the Future Direction scores.

It should be noted that these downgrades masked some positive changes to other stocks, such as Koh Young, which saw a significant upgrade to both Current Level and Future Direction due to an improvement in the availability of data. The company had previously been scored neutrally due to a lack of sufficient comparable data, but better disclosure enabled analysis of Koh Young's superior relative performance. Additionally, Oz minerals performed very strongly on water withdrawal data during 2021 which caused us to revise

up the trajectory on that variable. At the same time the company brought down their GHG emission intensity strongly as they continued to lead the way in renewable adoption, as these environment scores reflect 5 year rolling averages and the company had increased renewable % from 45% in 2020 to 70% in 2021 we were able to upgrade our expectation for Future Direction too.

Social

The Social indicator saw a small deterioration as compared with the reference period, falling -0.20 from 6.82 to 6.62 on Current Level and -0.27 on from 7.17 to 6.90 on Future Direction. Once again this was owing to downgrades of existing holdings within the portfolio.

Notable downgrades including our Indian financial holdings, ICICI Bank and HDFC Ltd. The former has poor disclosure on human capital management and staff turnover levels relative to peers as well as slightly lower than average data privacy measures. Meanwhile, HDFC Ltd.'s score was reduced owing to an increase in customer complaints during the prior year and no evidence of employee training on practices to reinforce consumer financial protection.

Additionally, Chroma, a manufacturer and marketer of electronic and automation measuring instruments, had its Current Level score reduced as the company had a significant spike in its total recordable incident rate data which hugely derated the performance in 5 year rolling data to 21% percentile. The Investment Manager is more confident in this improving on a Future Direction basis.

Unfortunately, both Oz Minerals and Tokyo Electron also incurred downgrades due to deeper analysis of their health and safety data, which impacted both Current Level and Future Direction scores.

More positively, these were somewhat evened-out at the portfolio level by upgrades to the scores for TSMC, a semiconductor manufacture and design company, due to strong performance on human capital with continuing increase in years of service and low turnover. The Investment Manager also updated its score for controversial sourcing as it firmed up the analysis around that variable.

Ememory, producer of Logic-based non-volatile memory (Logic NVM) technology used in semiconductor production, similarly showed an improvement in this area with low employee turnover and a continued increase in average years of service for employees, indicating overall top performance on Human capital management which caused the Investment Manager to revise the score up.

Governance

This indicator improved modestly on Current Level up 0.09 from 7.16 to 7.25 and declined slightly for Future Direction by -0.13 from 7.43 to 7.30.

What is most interesting to note is that there was a surprisingly large spread in the governance scores between newly purchased companies and those the Investment Manager exited over the period. On Current Level and Future Direction, the outgoing companies' simple average scores were 6.97 and 7.05 and the new purchases scored 7.81 and 7.85, respectively – close to a one-point increase in each case. This is highly

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

encouraging as it supports the fact that the process is particularly able to identify and capture higher *quality* companies, which is very often a hallmark of strong governance. The Investment Manager is especially pleased that the new checklist system for additional scrutiny on the key determinants and frequent red flags for governance has resulted in the ability to rank and convey the quality of the companies that the Investment Manager has always held more thoroughly and tangibly.

The reason why a portfolio change effect is not more strongly shown in the summary table is due to the portfolio weighted average scoring. Additionally, the benefit of the new governance checklist scoring is also felt across all portfolio holdings, resulting in an almost equal impact to existing investments as well as new purchases on a Current Level basis.

On Future Direction the contribution from portfolio changes was a net positive benefit whilst there were small downgrades to existing stocks from the more detailed analytical framework.

Business Ethics

Business Ethics is very similar to Governance in that here the Investment Manager also introduced 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, looked at in terms of both upgrades and downgrades and portfolio changes. The Current Level increased by 0.15 from 6.75 to 6.90 while the Future Direction increased by 0.04 from 6.99 to 7.03. All changes were due to the new scorecard which requires in depth consideration of metrics related to corporate behaviour and tax.

There was one exception to this, SK Hynix, where the company was thought to be involved in a 'severe controversy' related to anti-competitive behaviour and in relation to which China's anti-monopoly bureau has also launched an investigation which the Investment Manager believes is ongoing and which reportedly has an ultimate potential penalty of up to US$8bn. However, the Investment Manager engaged with peer company Samsung Electronics regarding this issue and carried out additional due diligence which led it to conclude that the matter was in fact all media speculation and there had never been an active investigation. The Investment Manager moderated SK Hynix's controversy score to 'moderate' to reflect past convictions for collusion in 2002-2010 and the higher-than-average risk level. The Investment Manager has since fully exited the investment in this company for unrelated reasons.

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 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[4]**
Circular economy	1%
Climate Change	33%
Health & Wellbeing	3%
Biosphere Protection	1%
Financial Inclusion	0%
Total Sustainable investments	38%

The following are examples of Sustainable Investments and how they are contributing to the sustainable objective:

Samsung SDI

Samsung SDI contributes to the mitigation of climate change by developing and manufacturing batteries for electric vehicles and energy storage systems, products from which the company derived 44% of its 2021 revenue.

Transportation consumed around 19% of total primary energy globally in 2021, and the Investment Manager views adoption of electric vehicles as a significant contributor to increasing energy efficiency in the sector.

A recent study from Yale Climate Connection under Yale School of the Environment, Yale University, shows that around 80% of the energy in gasoline powered Internal Combustion Engine (ICE) vehicles is lost to various inefficiencies and the number is only 11% for electric vehicles. Roughly speaking an electric vehicle is, therefore, 4.5x as energy efficient as an ICE vehicle.

[4] Please note that the Fund formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. These figures show the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments pursuant to the relevant sustainable investment objective as at 31 December 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

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.

The following are examples of DNSH assessments during the reference period:

ITM Semiconductors (Tobacco - exited). ITM Semiconductor is a specialised technology company focusing on battery energy and safety management. Unfortunately, the company decided to use its technology to enter the e-cigarettes business – which the Investment Manager does not feel comfortable with from a Material ESG Issues viewpoint, as well as an ethical perspective. The Investment Manager attempted to strongly engage with the company (as mentioned in last year's annual report), arguing that the upside from being able to be a very strong, clean ESG technology company, within the battery technology space, would far outweigh the revenue/profit from e-cigarettes, as this line of business would in the end result in a significant "ESG discount".

The Investment Manager was not able to convince the company, and it took the decision to pursue e-cigarettes as a new main business line. As this became clear, the Investment Manager acted in line with its philosophy and process, and fully exited the Fund's position.

Embraer (Armaments – Not Owned). The Investment Manager engaged with this company which has a 90% subsidiary that has developed eVTOL (vertical take off and landing) technology in which the Investment Manager was interested.

However, the core aerospace business has significant legacy challenges related to historic aircraft production which render the risk level too high for the Investment Manager to participate in. Namely, a plane built in 2000 by Embraer for the Brazilian air force featured the enablement of cluster munitions. None of these models have been sold this year or indeed recently, and Embraer themselves do not manufacture any weapons directly, only the aircraft, while the vast majority of their defence fleet serves functions such as carrying troops or cargo, re-fuelling other aircraft and extinguishing fires. This represents a declining portion of the company's revenue, but the company

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

could not give assurances that the models causing concern have been taken out of production and will never again be produced.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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.

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 are examples of consideration of principal adverse impacts on sustainability factors:

Example 1 – PAI 12 Number of women on Board of Directors

The Investment Manager captures the number of companies in the portfolio that do not have any women on their boards. As at 31 December 2022, seven of the Fund's 44 investee companies had zero female board numbers. This represents 15.9% of the Fund by number of holdings and a lesser 11.6% of the Fund by weight, as on average the Investment Manager holds smaller positions in these companies. It should be noted that 6 of these 7 companies are in the technology sector, principally in high-value, leading edge companies related to the semiconductor industry. The remaining name is in a much earlier stage economy: Vietnam.

Part of the Investment Manager's process involves engagement with all companies regarding board structure, efficiency, controls and oversight which involves analysis of diversity representation and as part of this work it has questioned companies in this space over a period of years regarding the absence of women on their boards. There is a strong consensus in the response: despite a keen willingness, there is a shortage of women with sufficient seniority, specific technical skills and managerial experience in these particular areas due to very low levels of women having studied to become semiconductor engineers or software programmers 15-20 years ago – where they exist they are highly sought after, but are few and far between.

In middle-management and all tiers further down through technology organisations there are increasing numbers of women, which the Investment Manager views as encouraging and is hopeful that strong pipelines of future female leaders are being built, that investee companies are keen to bring into their leadership teams or to board-level, in the not too distant future.

The Investment Manager has good relationships with the management of these companies and believes that they are well equipped to manage their top-level talent and structure their management well, in a diversified manner such that strategic thought receives balanced input, challenge and the benefit of a range of backgrounds. The Investment Manager, and the investee companies, are highly aware of the paramount importance of a strong culture on the overall success of a business.

When the Investment Manager scores a company in its proprietary Material ESG scoring framework, it has the ability to make a specific adjustment with regard to board diversity – either to reflect very positive performance, or to deduct points for what it assesses to be a poor setup relative to industry peers.

The Investment Manager strongly supports gender and racial/ethnic diversity on boards of the Fund's investee companies. It captures as much data as it can and engages to promote this, but there are nuances across the portfolio which the Investment Manager does not believe should be seen as negative, as companies try to invest in the right talent to support their business, now and for the future – which conversely provides a bright outlook for improvement.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

Example 2 – PAI 4 – Exposure to Fossil Fuels

The Fund excludes any company which has over 5% of its revenue derived from oil exploration and production. The Fund does not exclude investments into gas (natural gas/liquid natural gas or "LNG"). The Investment Manager views gas as a transition fuel or interim energy source, far cleaner than coal and required before society can move to a structure powered entirely by renewable energy.

Currently the Fund's only exposure to fossil fuels is via Reliance Industries in India. 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 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 is a co-lead investor of this engagement and spent significant time during the review period visiting management at their operations in India.

In addition, a letter was sent by one of the Climate Action 100+ engagement group participants to the Chair of Reliance Industries' Corporate Social Responsibility and Governance Committee highlighting a range of suggestions for potential improvement of the company's climate governance and strategy.

In terms of ongoing progress, compared to the previous year, the Investment Manager notes that Reliance Industries provided additional detail regarding its decarbonization strategy 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. Battery capacity for large scale energy storage is projected to reach 5GWh by 2024 and 50GWh by 2027. Moreover, Reliance Industries expanded its plans with the announcement of the fifth Gigafactory for Power Electronics and reiterated its commitment to further investment in India's energy transition.

At the consolidated level, the company's Financial Year 2022 emissions performance showed improvement year-on-year with some reduction across most GHG metrics. The company has targeted Taskforce for Climate-related Financial Disclosure (TCFD) reporting by 2024 and has an ambition to implement Science Based Target Initiative (SBTI) reporting too.

Reliance Industries has also been improving some aspects on governance, notably Board oversight and compensation structures, which will take a further 2 years. Part of the improvement in governance includes the establishment of the Reliance New Energy Council, an internal advisory council where the intention is to gain knowledge and perspective from the experience of the council members and for them to help assist Reliance's transition.

Example 3 – UNGC Controversies

In November 2022, third party ESG rating providers released new controversies research which led to downgrades on UNGC compliance for a number of companies with Chinese operations. The downgrades related to alleged involvement in Xinjiang province and the alleged infringements of human rights and civil liberties of the Uyghur population.

As part of these actions, Tencent, an investee company, was not downgraded but flagged on the 'watchlist' due to allegations of use of surveillance and using social media records to spy on Uyghur communications through WeChat and other social platforms. The UN Human Rights Office of the High Commissioner (OHCHR) and Australian Strategic Policy Institute (ASPI) have made mention on Tencent in reports related to human rights and surveillance practices in China.

As the Investment Manager considers UNGC compliance as a PAI indicator this is something it takes seriously. The Investment Manager has been engaging with the company and carrying out further due diligence relating to this issue, while taking into account the context that Tencent is operating under Chinese law, as defined by the Chinese Communist Party (CCP). The management have made clear to the Investment Manager that they have at all times complied with Chinese law and Chinese law makes clear that the CCP must at all times be given access to all information and data they request. This has been the case for many years and is well understood by the market and by Chinese society.

The Investment Manager does not believe that Tencent is enabling or complicit in any human rights abuse. Conversely, Tencent has changed the face of Chinese society in its democratisation of access to communication and information for the widest groups in society via its WeChat app and access to finance via WeChat Pay. These innovations leapfrogged desktop computing and credit cards for the Chinese population in a way that catapulted development and opportunities for all – granting more rights, not compromising them.

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

Asian Stars Fund continued

Indicator[5]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[6]
GHG Emissions (TCO2e)	Scope 1	1,455	94.7%	14,266	99.6%	-90%
	Scope 2	1,085	94.7%	2,674	99.6%	-59%
	Scope 1 & 2	2,539	94.7%	16,940	99.6%	-85%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	20.55	94.7%	146.76	99.6%	-86%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	101.99	94.7%	309.62	100.0%	-67%
Female Board Representation (%)		19.0%	93.7%	16.9%	100.0%	12%

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 2022

Largest investments	Sector	% Assets	Country
Taiwan Semiconductor	Semiconductors	8.36	Taiwan
Tencent	Internet	7.31	Cayman Islands
Samsung Electronics	Semiconductors	6.29	Republic of South Korea
AIA	Life/Health Insurance	4.83	Hong Kong
Alibaba Group Holdings	Internet	4.55	Cayman Islands
Reliance Industries	Oil & Gas	3.90	India
JD.Com Inc	Retail & Wholesale - Discretionary	3.78	Cayman Islands
Meituan Dianping	Internet	3.41	Cayman Islands
Phoenix Mills	Real Estate	3.14	India
Shenzhen Inovance	Electronics	2.77	People's Republic of
HDFC Bank	Banking	2.75	India
ICICI Bank	Banks	2.46	India
eMemory Technology	Semiconductors	2.41	Taiwan
Samsung SDI	Telecommunications	2.20	Republic of South Korea
Hong Kong Exchanges &	Diversified Financial Services	2.19	Hong Kong

[5] 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 2022. Benchmark: MSCI AC Asia ex Japan Total Return Index. 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 €128.3m as of 31 December 2022. 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.

[6] 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 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 96.5% of its assets in equity and equity warrants. Therefore, on average 96.5%[7] 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 38%[8] of its assets in Sustainable Investments with an environmental or social objective.

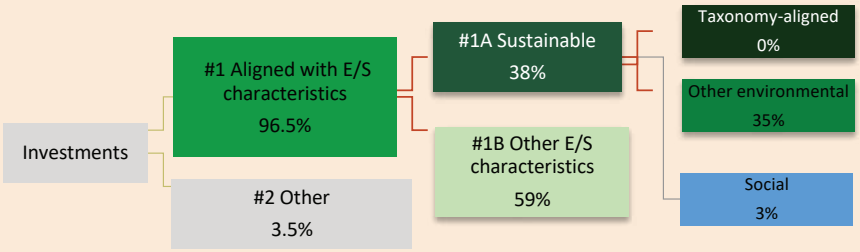
Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics', '#1A sustainable' etc.)

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 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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[7] 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).

[8] Please note that the Fund formalised its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. 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 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Asian Stars Fund continued

In which economic sectors were the investments made?

Economic Sectors	% Assets[9]
Semiconductors	20.46
Internet	18.52
Real Estate	9.05
Electronics	7.67
Life/Health Insurance	4.83
Oil & Gas	3.90
Retail & Wholesale - Discretionary	3.78
Banks	3.33
Basic Materials	3.29
Banking	2.75
Telecommunications	2.20
Diversified Financial Services	2.19
Participatory Notes	2.06
Materials	1.75
Computers	1.75
Retail	1.61
Energy-Alternate Sources	1.16
Software & Tech Services	1.13
Tech Hardware & Semiconductors	1.13
Consumer Discretionary Products	1.00
Software	0.95
Healthcare-Services	0.91
Healthcare-Products	0.85

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 2022 visiting management at their operations in India.

[9] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 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[10]?

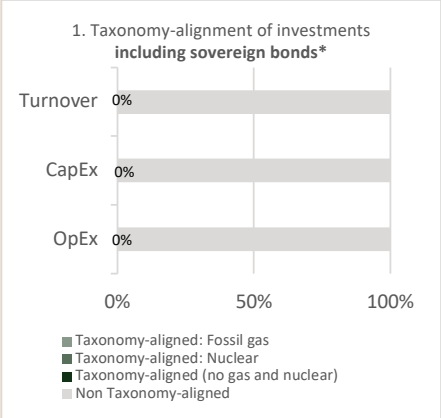
Yes:

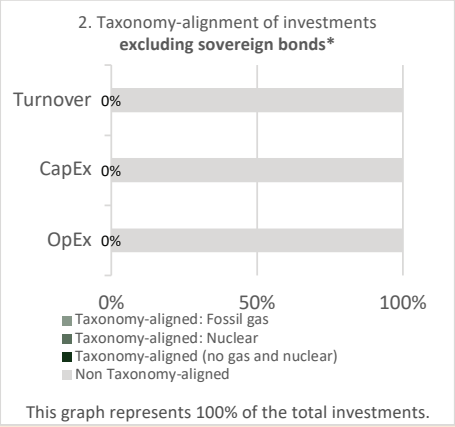
In fossil gas

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*

[10] 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

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

What was the share of investments made in transitional and enabling activities?

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 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 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?

During December 2022, the percentage of Sustainable Investments with an environmental objective not aligned with the EU taxonomy was 35%. [11]

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 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.

[11] Please note that the Fund formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. 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 as at 31 December 2022.

What was the share of socially sustainable investments?

During the reference period the percentage of socially Sustainable Investments within the Fund was 3%.[12]

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 3.5% 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.[13]

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

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.

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:

Apollo Hospitals: The Investment Manager engaged with Apollo regarding its use of solar power, as the company continues to think more seriously about sustainability. Apollo already generates 40% of energy from renewable sources, with a target to reach 70% in the medium-term. Solar panels are installed on the roof of a number of its hospitals, including its Vanagaram hospital in Chennai. It has installed 100 panels with a capacity of 250 watts per panel, giving a capacity of 25 KWh. Annually, all Apollo's hospitals across the state of Tamil Nadu have an aggregate power requirement of 60 million KWh to which

[12] Please note that the Fund formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. 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 as at 31 December 2022.

[13] 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

Asian Stars Fund continued

wind power is also contributing, helping to substantially reduce the company's carbon footprint, even as it continues to grow.

Chroma: The Investment Manager had a good discussion with Chroma related to ESG where it has recognised a need to broadly improve performance on a range of factors and, encouragingly, it has added recognition of this in to the KPIs for senior managers. It is particularly on Social and Governance areas that it has identified more of a need to improve as the company does not use a large amount of water, gas or energy in its operations. In the first instance, targets have been set to increase female director-level employees from a single-digit percentage to 20%. Additionally, the company has appointed a consult to help with these initiatives as well as launching an ESG Foundation. Chroma recognises that improvements will take time, but the Investment Manager supports these initiatives.

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.

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 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?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 97.3% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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) 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Biotechnology Fund continued

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 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.

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 characteristics:

(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.

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 pre-commercial 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 92.1% 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 2022)[1].

Over the reference period, an average of 97.3% of the Fund's investments were classified as Sustainable Investments. An investee company is classified as a Sustainable Investment under Article 2(17) SFDR if its revenue, Operating Expenditure (OpEx) or Capital Expenditure (CapEx) exceeds the required threshold of alignment with the sustainable objective, provided it also passed the Do No Significant Harm test referred to in the section below and followed good governance practices.

	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average[2]
Pillar 1 *improve clinical outcomes for patients through innovation*	88.3%	90.7%	88.3%	87.7%	88.8%
Pillar 2 *improve the affordability and accessibility of healthcare services*	0.4%	0.4%	0.3%	1.0%	0.5%
Pillar 3 *improve the efficiency of the delivery of healthcare services*	3.7%	3.1%	2.0%	2.4%	2.8%
Overall Alignment	**92.4%**	**94.1%**	**90.6%**	**91.2%**	**92.1%**
Sustainable Investments exceeding the threshold revenue alignment[3]	n/a	n/a	n/a	97.3%	97.3%

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 4 January 2022 and the Fund did not promote environmental or social characteristics, or measure its performance against the sustainability indicators, prior to this date.

The Fund's sustainability indicators are not subject to assurance by an auditor or review by a third party.

[1] 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.

[2] The Fund's average exposure to each of its characteristics 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.

[3] Please note that the Fund formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. The figures show the percentage of Sustainable Investments as at the relevant date.

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 committed to a minimum proportion of 50% of its investments as Sustainable Investments on 30 November 2022. The Investment Manager considered a company eligible as a Sustainable Investment if the company was deemed to contribute to the themes highlighted below.

The objectives of the Sustainable Investments aligned with the themes:

(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.

During the reference period, companies held by the Fund were aligned to the three sustainability themes 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* pillar.

Although on average the revenue purity from biotechnology companies held during the reference period was high, some sources of revenue were not considered to be aligned with the above Sustainable Investment themes, 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 sustainable themes outlined above was still eligible to be considered sustainable overall if the company also had business segments that are positively aligned to the sustainability themes.

Examples of investments in the Fund and the alignment to the three sustainable investing themes outlined above are detailed below.

Some companies held by the Fund showed strong alignment to a single pillar. An example of this is a research-stage biopharmaceutical company 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, means the investment met the Investment Manager's criteria of being aligned with the sustainability theme of *improving clinical outcomes through innovation*. Other companies held demonstrated alignment to more than one sustainable theme through their respective businesses. A commercial stage biopharmaceutical company 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 Investment themes through their combined efforts in research and development as well as through generating revenues aligned with the sustainable themes. One such case is a commercial stage biopharmaceutical company focused on the development and commercialisation of vaccines to prevent a range of viral diseases. The company has a strong history of developing and commercialising several new medicines for the traveller's market and 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* pillar. However, the company's 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* pillar 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.

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Biotechnology Fund continued

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.

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 alignment of portfolio companies with these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

All Sustainable Investments have been assessed using third party providers for adherence to the UNGC principles and OECD guidelines. Any positions not aligned were not deemed Sustainable Investments for the reference period.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 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.

When considering PAIs, the Biotechnology industry is subject to a high level of regulatory oversight, whether a company is developing drugs or diagnostic products, or providing biotechnology products and services, to ensure that products pass rigorous safety standards, and do not cause harm to patients or communities.

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 TCO2e/EVIC AUM measured roughly around 6% of the MSCI ACWI Index as a whole as at 31 December 2022[4].

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. Scope 1 and Scope 2 emissions were considered. Where those emissions are considered likely to be material, the Investment Manager will engage with the company to solicit the data. This emissions data is used to collectively consider Principal Adverse Impacts – GHG Emissions, Carbon Footprint and GHG Intensity.

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. 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.

For those companies that failed these tests, and where the company's emissions were deemed material, the position was flagged for potential engagement with the investee company.

At a US-based life sciences tools and diagnostics portfolio company developing and commercialising instruments and consumables in the field of "spatial biology", proxy voting adviser ISS advised against several recommendations related to executive

[4] 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

remuneration, including Chief Executive Officer pay during shareholder proxy voting. The company reached out to the Investment Manager to discuss the ISS recommendations and was engaged via a video conference call. The company's management team made representations as to why they believed shareholders should vote in favour of the resolutions. To the Investment Manager, the representations seemed reasonable in the context of a small company attempting to attract and retain talent in a highly competitive field, where remuneration was aligned with performance.

At a commercial stage biopharmaceutical company focused on the development and commercialisation of vaccines to prevent a range of viral diseases, ISS expressed dissatisfaction with the level of transparency around the structure of Chief Executive Officer remuneration during proxy voting. While having no issue with the overall level of remuneration, the Investment Manager did agree with ISS that greater transparency and explanation of components of the salary package was required and elected to vote against the company's recommendations, in line with ISS, on that item.

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[5]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[6]
GHG Emissions (TCO2e)	Scope 1	1,679	88.0%	1,766	89.8%	-5%
	Scope 2	2,696	88.0%	2,789	89.8%	-3%
	Scope 1 & 2	4,375	88.0%	4,556	89.8%	-4%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	3.05	87.3%	3.38	89.8%	-10%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	23.93	93.9%	22.79	95.9%	5%
Female Board Representation (%)		33.1%	93.9%	29.3%	95.5%	13%

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 2022

Largest investments	Sector	% Assets	Country
Argenx	Medical-Biomedical/Gene	6.43	Netherlands
Regeneron Pharmaceuticals	Medical-Biomedical/Gene	5.33	United States
Vertex Pharmaceuticals	Medical-Biomedical/Gene	5.27	United States
Seagen	Medical-Biomedical/Gene	5.25	United States
Incyte	Medical-Biomedical/Gene	4.67	United States
Xenon Pharmaceuticals	Medical-Biomedical/Gene	4.34	Canada
Alnylam Pharmaceuticals	Medical-Biomedical/Gene	4.11	United States
Celldex Therapeutics	Medical-Biomedical/Gene	3.92	United States
Sanofi	Medical-Drugs	3.43	France
Genmab	Medical-Biomedical/Gene	3.32	Denmark
Zealand Pharma	Medical-Drugs	3.18	Denmark
AstraZeneca	Medical-Drugs	2.97	United Kingdom
Biogen	Medical-Biomedical/Gene	2.61	United States
Rhythm Pharmaceuticals	Medical Products	2.29	United States
Exelixis	Medical-Biomedical/Gene	2.27	United States

[5] 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 2022. Benchmark: NASDAQ Biotechnology Index Net Total Return. 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 €1,485.3m as of 31 December 2022. 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.

[6] 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

Biotechnology Fund continued

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 92.1% 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[7].

Asset allocation describes the share of investments in specific assets.

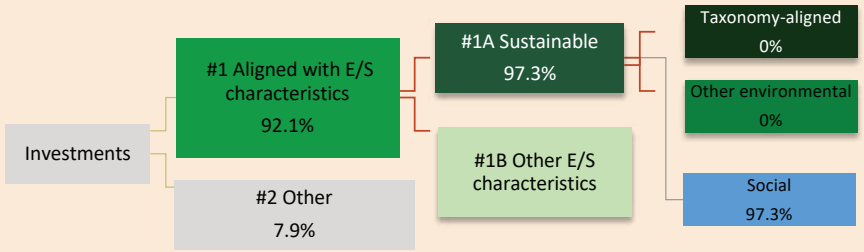
While the Fund does not have sustainable investing as its objective, the Fund invested in 97.3% of its investments in Sustainable Investments with a social objective. Given that the Fund committed to a minimum proportion of 50% of its investments as Sustainable Investments on 30 November 2022, this is the figure as of 31 December 2022.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[7] This figure 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.

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.

In which economic sectors were the investments made?

Economic Sectors	% Assets[8]
Medical-Biomedical/Gene	69.24
Medical-Drugs	19.09
Medical Products	4.06
Therapeutics	1.86
Medical Labs & Testing Services	1.79
Diagnostic Kits	0.61
Drug Delivery Systems	0.58

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[9]?

Yes:

In fossil gas

In nuclear energy

✖ **No**

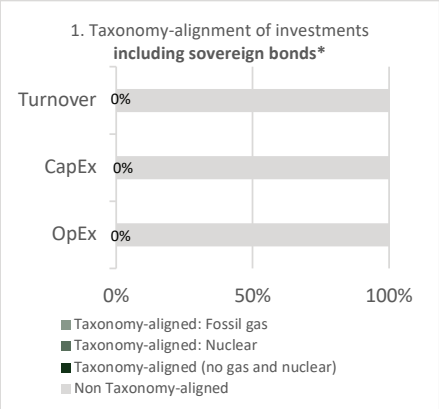
[8] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

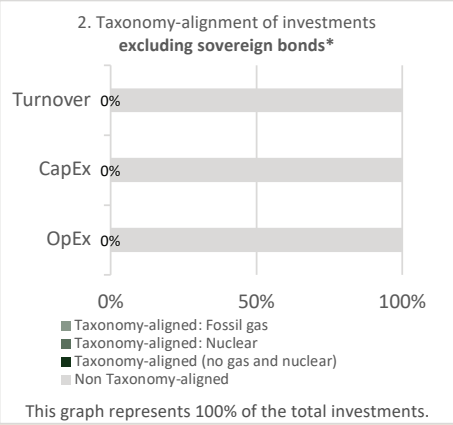
[9] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas 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

Biotechnology 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 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.

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 under 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 97.3% 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 30 November 2022, this is the figure as of 31 December 2022.

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 7.9% of investments were not aligned with the promoted characteristics of the Fund.[10]

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.

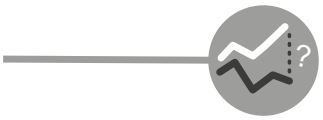
At AGMs or shareholder meetings, the Investment Manager reviewed the resolutions and documented voting intentions and any resultant engagements with investee companies.

[10] 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 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Biotechnology Fund continued

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.



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.

China 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 - China Stars Fund (the "Fund")
Legal entity identifier: 549300CJYC75WWHYIR44

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

China Stars Fund continued

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 exclusions list.

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 2022 is shown below[1]:

	Current Level	Future Direction
Impact on Progress	6.8	6.6
Environmental	5.8	5.9
Social	6.6	6.3
Governance	6.9	6.3
Business ethics	7.2	6.6

[1] 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).

…and compared to previous periods?

A comparison of the headline scores for 2022 and 2021 is shown below[2]:

	2021 Current Level	2022 Current Level
Impact on Progress	6.6	6.8
Environmental	6.4	5.8
Social	6.4	6.6
Governance	6.4	6.9
Business ethics	6.9	7.2

Impact on Progress

The Fund's positive bias in Impact on Progress increased further in 2022, 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 Hongfa Technology, which is a key enabler and beneficiary of the growth in electric vehicles and renewable energy storage.

Environmental

The Fund's Environmental score dropped slightly over the reference period but maintained a solid positive bias. These changes were driven purely by adjustments in the scores of existing investee companies, which the Investment Manager concludes to be, for the most part, a function of the renewed application of its improved, proprietary database which enable it to make better, stricter interpretations of the ways our portfolio companies are performing on their material environmental factors in both absolute and industry relative terms.

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.

[2]Please note that the Fund's sustainability indicators were updated during the reference period to incorporate both 'Current Level' and 'Future Direction' scores for each 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. 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).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

China Stars Fund continued

Social

The portfolio's social score improved modestly as a result of a combination of larger investments in higher social score companies and some of the underlying companies improving on their social characteristics.

One notable upgrade is TSMC, a leading designer and manufacturer of semiconductors, due to strong performance on human capital with continuing increases in years of service and low turnover. The Investment Manager also updated its score for controversial sourcing as it firmed up the analysis around that variable.

Ememory, a supplier of semiconductor intellectual property cores, similarly showed improvement in this area with low employee turnover and a continued increase in average years of service for employees, indicating overall top performance on human capital management which caused the Investment Manager to revise its score up.

The main contributors to the positive bias in Social are the Fund's investments in enabling digital and industrial technology companies that assist traditional industries to transition to a more efficient, productive, and safer environment for their employees and other stakeholders.

Governance

The Fund's Governance score saw a 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.

Business Ethics

For similar reasons to the improved Governance score, the Fund's Business Ethics score also improved. 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.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 Fund did not consider principal adverse impacts on sustainability factors during the reference period.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

China Stars 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 2022

Largest investments	Sector	% Assets	Country
Tencent	Internet	10.44	Cayman Islands
Alibaba Group	Internet	7.31	Cayman Islands
Meituan Dianping	Internet	4.79	Cayman Islands
JD.com Inc	Internet	4.62	Cayman Islands
China Construction Bank	Banks	3.87	People's Republic of China
Midea	Home Furnishings	3.70	People's Republic of China
China Merchants Bank	Banking	3.59	People's Republic of China
Dadi Early-Childhood Education	Software	3.15	Cayman Islands
Huazhu	Consumer Discretionary Services	3.08	Cayman Islands
Shenzhen Inovance Technology	Electronics	3.02	People's Republic of China
Hefei Meiya Optoelectronic	Machinery-Diversified	2.58	People's Republic of China
China Foods	Beverages	2.57	Bermuda
Hong Kong Exchanges & Clearing	Diversified Financial	2.38	Hong Kong
Foshan Haitian Flavouring & Food	Food	2.27	People's Republic of China
Glodon	Software	2.18	People's Republic of China

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?

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 95.8% in equity and equity warrants. Therefore, on average 95.8%[3] of the investments of the Fund attained the environmental or social characteristics promoted by the Fund.

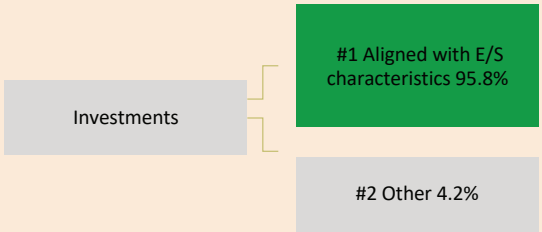
[3] This shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, aligned with the Fund's characteristics. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September 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.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

Economic Sectors	% Assets[4]
Internet	26.78
Software	6.84
Real Estate	4.82
Home Furnishings	4.65
Banks	3.87
Banking	3.59
Food	3.49
Electronics	3.34
Consumer Discretionary Services	3.08
Industrial Products	2.89
Machinery-Diversified	2.58
Beverages	2.57
Commercial Services	2.46
Diversified Financial Services	2.38
Retail	2.28
Transportation	2.17
Semiconductors	2.12
Media	2.10
Retail & Wholesale - Discretionary	1.96
Healthcare-Products	1.89
Insurance	1.81
Participatory Notes	1.56
Pharmaceuticals	1.52
Consumer Staple Products	1.52
Building Materials	1.45
Auto Manufacturers	1.29

[4] 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

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.

Materials	1.18
Metal Fabricate/Hardware	1.10
Health Care	0.86
Tech Hardware & Semiconductors	0.65
Renewable Energy	0.31

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[5]?

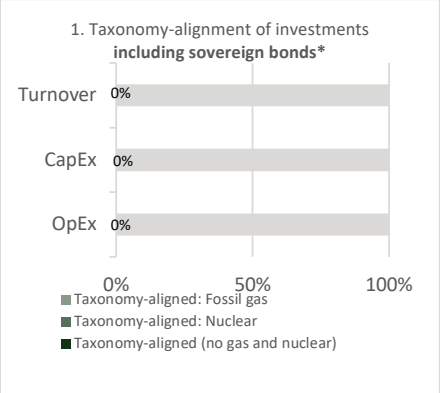
Yes:

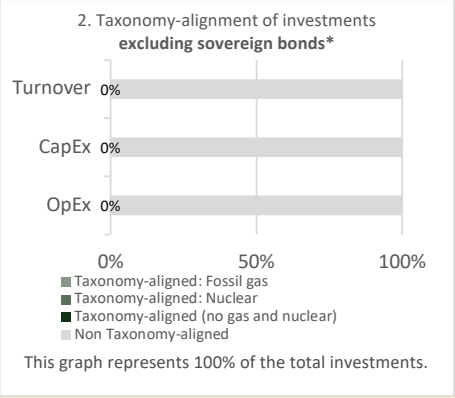
In fossil gas

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*

[5] 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.

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.

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 under the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

The Fund does not invest in socially sustainable investments.

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%[6] 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,

[6] 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

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.

Meidong Auto is a best-in-class luxury car dealership run by a great owner/operator. Through the Investment Manager's proprietary research on its business practice and strategy, it is confident that Meidong has a strong culture to retain and attract the best talent in the industry, a business strategy aligned not only with operational excellence but also the auto industry's transition towards digitization and electrification. As a result, the Investment Manager did not feel that this was being reflected in third party ESG ratings.

As a result, the Investment Manager started to engage with Meidong senior management to improve its scores with third party ESG rating providers, with the view that having improved scores would have material impact on its cost of capital in the future as the company looks to continue to expand its footprint.

The Investment Manager helped to convince the management about the importance and urgency of improving third party ESG ratings and identified areas for improved communication and disclosure to address concerns.

Through highly engaged dialogue with third party ESG rating providers on disclosure and communication, the company proved its ESG credentials and potentially improved its cost of accessing capital in future which the Investment Manager welcomes.

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

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?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 40% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments 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 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 15 new stocks and exited 19 positions.

There is one significant feature which impacted a number of the upgrade/downgrade scores for a range of the Fund's portfolio companies over the period on a one-off basis. Over the year meaningful enhancements were made to

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

the rigour of the scoring process in order to increase robustness, consistency and comparability across the investment universe as well as to more effectively incorporate better proprietary datasets into E&S scores and incorporate a new checklist system into the way governance and business ethics are assessed for all companies.

The Investment Manager therefore expects to continue to see small changes in the sustainability indicators at the portfolio level going forward, 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.

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 score 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[1]:

	2022	
	Current Level	**Future Direction**
Impact on progress	7.58	7.93
Environmental	5.94	6.72
Social	6.61	6.97
Governance	7.16	7.26
Business ethics	6.78	7.03

	% Fund[2]
Positive Delta: Level < Direction	78.5%
Stable Delta: Level = Direction	21.5%
Negative Delta: level > Direction	0.0%

[1] 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).

[2] The table shows the percentage of the Fund's assets as at 31 December 2022, 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[3]:

	2021		2022	
	Current Level	Future Direction	Current Level	Future Direction
Impact on progress	7.42	7.80	7.58	7.93
Environmental	6.34	6.85	5.94	6.72
Social	6.73	7.15	6.61	6.97
Governance	7.08	7.40	7.16	7.26
Business ethics	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.

	Current Level 2021	Upgrade	Portfolio Change	Current Level 2022	Future Direction 2021	Upgrade	Portfolio Change	Future Direction 2022
Impact on progress	7.42	0.28	-0.12	7.58	7.80	0.23	-0.09	7.93
Environmental	6.34	-0.41	0.01	5.94	6.85	-0.18	0.05	6.72
Social	6.73	-0.11	-0.01	6.61	7.15	-0.20	0.01	6.97
Governance	7.08	0.03	0.05	7.16	7.40	-0.20	0.07	7.26
Business ethics	6.68	0.03	0.07	6.78	6.98	-0.10	0.14	7.03

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 relatively stable from the previous period to the reference period. Nine out of these ten individual indicators (5 metrics across level and direction) have seen movement of less than +/- 0.20 from the reference period, with one recording a contraction of -0.4 (Environmental, as discussed below) for its Current Level.

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 +0.14 for Future Direction as compared with 2021, to 7.58 and 7.93, as shown in the summary table above.

In both cases this improvement came entirely from upgrades within existing holdings, as the effect from portfolio changes was very slightly negative in each case.

The largest contributors to improving scores came from Apollo Hospitals, following a visit to India as well as engagement with management which gave a fuller appreciation of Apollo's leadership in and exposure to the Investment Manager's health and wellness sub-area. This made it deserving of the highest score: an upgrade from 8 to 10 on Current

[3] Please note the figures shown for 2021 in this table differ slightly to those shown in the Emerging Markets Stars Fund 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

Level and Future Direction. Apollo is trying to accelerate work to increase the accessibility and affordability of the Indian healthcare ecosystem by expanding its overall network, developing new technologies and rolling out telemedicine nationally – with the potential to improve health outcomes and allow patients to recover faster or prevent illness and remain healthier.

Samsung Electronics was also upgraded from 7 to 9 (for both Current Level and Future Direction) during the review period as under the upgrades to the Investment Manager's methodology, the Investment Manager linked scoring for Impact on Progress more directly with the capital expenditure, revenue and operational expenditure of business areas deemed eligible for inclusion under this indicator.

As a global leader in the memory semiconductor industry, Samsung Electronics plays a central role in not only supplying current memory technology but also in developing future technologies. These future technologies contribute to climate change mitigation by providing low-power, high efficiency data storage which will reduce the carbon emissions associated with these devices. The semiconductor business only makes up ~30% of revenue but the company spends ~90% of its capex investments and almost all its R&D spend on these future technologies which is why the Investment Manager scores the company in the Exceptional range.

These positive moves outweighed small downgrades to scores for other companies.

Environmental

The Environmental Current Level indicator was something of an anomaly, deteriorating by -0.40 from 6.34 to 5.94, the most of any indicator over the review period, whilst the Future Direction indicator was relatively stable, declining only -0.13 from 6.85 to 6.72. These changes were again driven purely by existing holdings, which the Investment Manager concluded to be, for the most part, a function of their assessment against the revised methodology which enables the Investment Manager to make better, stricter interpretations of the ways the portfolio companies are performing on their material environmental factors in both absolute and industry relative terms.

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 (9th and 29th percentile vs. peers, respectively) and behind trend initiatives on energy mix. These factors, together with the fact that this year the Investment Manager's scores are portfolio weighted rather than a simple average mean that the low Current Level scores for Alibaba (3.5) and Tencent (3) dominate the downgrades here. The positive is that both companies have made significant future commitments, with stated net carbon zero targets, and this is why there is a much less marked effect on the Future Direction scores.

It should be noted that these downgrades masked some positive changes to other stocks, such as Koh Young, which saw a significant upgrade to both Current Level and Future Direction due to an improvement in the availability of data. The company had previously been scored neutrally due to a lack of sufficient comparable data, but better disclosure enabled analysis and identification of Koh Young's superior relative performance on environmental matters.

Social

The Social indicator saw a small deterioration as compared with the reference period, falling -0.12 from 6.73 to 6.61 on Current Level and -0.18 from 7.15 to 6.97 on Future Direction. Once again this was owing to downgrades of existing holdings within the portfolio.

Notable companies that were downgraded over the review period include the Investment Manager's Indian financial holdings, ICICI Bank and HDFC Ltd. The former has poor disclosure on human capital management and staff turnover levels relative to peers as well as slightly lower than average data privacy measures. Meanwhile, HDFC Ltd.'s score was reduced owing to an increase in customer complaints during the prior year and no evidence of employee training on practices to reinforce consumer financial protection.

Additionally, Chroma, a manufacturer and marketer of electronic and automation measuring instruments, had its Current Level score reduced as the company had a significant spike in its total recordable incident rate data which hugely derated the performance in 5 year rolling data to 21% percentile. The Investment Manager is more confident in this improving on a Future Direction basis.

More positively, these were somewhat evened-out at the portfolio level by upgrades to the scores for TSMC, a semiconductor manufacture and design company, due to strong performance on human capital with continuing increase in years of service and low turnover. The Investment Manager also updated its score for controversial sourcing as it firmed up the analysis around that variable.

Ememory, producer of Logic-based non-volatile memory (Logic NVM) technology used in semiconductor production, similarly showed an improvement in this area with low employee turnover and a continued increase in average years of service for employees, indicating overall top performance on Human capital management which caused the Investment Manager to revise the score up.

Governance

This indicator improved modestly on Current Level up 0.08 from 7.08 to 7.16 and declined slightly for Future Direction by -0.14 from 7.40 to 7.26.

What is most interesting to note is that there was a surprisingly large spread in the governance scores between newly purchased companies and those the Investment Manager exited over the period. On Current Level and Future Direction, the outgoing companies' simple average scores were 6.42 and 6.63 and the new purchases scored 7.44 and 7.68, respectively – more than a one-point increase in each case. This is highly encouraging as it supports the fact that the process is particularly able to identify and capture higher *quality* companies, which is very often a hallmark of strong governance. The Investment Manager is especially pleased that the new, 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 that the Investment Manager has always held.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

The reason why a portfolio change effect is not more strongly shown in the summary table is due to the portfolio weighted average scoring. Additionally, the benefit of the new governance checklist scoring is also felt across all portfolio holdings, resulting in an almost equal impact to existing investments as well as new purchases on a Current Level basis.

On Future Direction, the contribution from portfolio changes was a net positive benefit whilst there were small downgrades to existing stocks from the more detailed analytical framework.

Business Ethics

Business Ethics is very similar to Governance in that here the Investment Manager also introduced 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, looked at in terms of both upgrades and downgrades and portfolio changes. The Current Level increased by 0.1 from 6.68 to 6.78 while the Future Direction increased by 0.05 from 6.98 to 7.03. All changes were due to the new scorecard which requires in depth consideration of metrics related to corporate behaviour and tax.

There was one exception to this, SK Hynix, where the company was thought to be involved in a 'severe controversy' related to anti-competitive behaviour and in relation to which China's anti-monopoly bureau has also launched an investigation which the Investment Manager believes is ongoing and which reportedly has an ultimate potential penalty of up to US$8bn. However, the Investment Manager engaged with peer company Samsung Electronics, which faced an investigation of the same issue, and carried out additional due diligence which led the Investment Manager to conclude that the matter was in fact all media speculation and there had never been an active investigation. The Investment Manager moderated SK Hynix's Business Ethics score to reflect past convictions for collusion in 2002-2010 and the higher-than-average risk level. The Investment Manager has since fully exited the investment in this company for unrelated reasons.

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 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[4]
Circular economy	1%
Climate Change	33%
Health & Wellbeing	5%
Financial Inclusion	2%
Total Sustainable investments	**40%**

The following are examples of Sustainable Investments and how they are contributing to the sustainable objective:

Samsung SDI

Samsung SDI contributes to the mitigation of climate change by developing and manufacturing batteries for electric vehicles and energy storage systems, products from which the company derived 44% of its 2021 revenue.

Transportation consumed around 19% of total primary energy globally in 2021, and the Investment Manager views adoption of electric vehicles as a significant contributor to increasing energy efficiency in the sector.

A recent study from Yale Climate Connection under Yale School of the Environment, Yale University, shows that around 80% of the energy in gasoline powered Internal Combustion Engine (ICE) vehicles is lost to various inefficiencies and the number is only 11% for electric vehicles. Roughly speaking an electric vehicle is, therefore, 4.5x as energy efficient as an ICE vehicle.

Alinma Bank

In 2018, the percentage of total adults with a bank account in Saudi Arabia was 71%, far below the developed market average of >90%. Financial inclusion for adult women in Saudi Arabia is far lower at 58.2% and financial literacy is astonishingly low – it is scored at 9.6 out of 21 according to a 2019 OECD survey and below even many lower income emerging market peers.

During the review period, an IMF consultation paper on Saudi Arabia called for improvement to financial inclusion – particularly for SMEs and women, and an earlier 2020 project by the G20 Partnership for Financial Inclusion (GPFI) identified the digital financial inclusion of women, youths and SMEs as its key priorities.

[4] Please note that the Fund formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. These figures show the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are classified as Sustainable Investments pursuant to the relevant sustainable investment objective as at 31 December 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

Alinma Bank's retail strategy very explicitly targets exactly these areas, prioritising growth in serving the under-banked digital youth and women's segments. Alinma Bank has 3 high level segment goals, one of which is 'Be the most digitally advanced, fastest, and most convenient retail bank in KSA'. Below this, specifically within their retail banking business, Alinma sets three core targets, one of which is: 'Grow the digitally-savvy youth customer franchise'.

99% of transactions are now digital and it is broadly accepted that the problems of financial inclusion are going to be solved via technology and Alinma Bank are investing to address this, offer new products, improve infrastructure and move towards a more cashless society (from 36% in 2019).

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, the Investment Manager retained discretion over the assessment of third party conclusions on a case-by-case basis.

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 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.

The following are examples of DNSH assessments during the reference period:

ITM Semiconductors (Tobacco - exited). ITM Semiconductor is a specialised technology company focusing on battery energy and safety management. Unfortunately, the company decided to use its technology to enter the e-cigarettes business – which the Investment Manager does not feel comfortable with from a Material ESG Issues viewpoint, as well as an ethical perspective. The Investment Manager attempted to strongly engage with the company (as mentioned in last year's annual report), arguing that the upside from being able to be a very strong, clean ESG technology company, within the battery technology space, would far outweigh the revenue/profit from e-cigarettes, as this line of business would in the end result in a significant "ESG discount".

The Investment Manager was not able to convince the company, and it took the decision to pursue e-cigarettes as a new main business line. As this became clear, the Investment Manager acted in line with its philosophy and process, and fully exited the Fund's position.

Embraer (Armaments – Not Owned). The Investment Manager engaged with this company which has a 90% subsidiary that has developed eVTOL (vertical take off and landing) technology in which the Investment Manager was interested.

However, the core aerospace business has significant legacy challenges related to historic aircraft production which render the risk level too high for the Investment Manager to participate in. Namely, a plane built in 2000 by Embraer for the Brazilian air force featured the enablement of cluster munitions. None of these models have been sold this year or indeed recently, and Embraer themselves do not manufacture any weapons directly, only the aircraft, while the vast majority of their defence fleet serves functions such as carrying troops or cargo, re-fuelling other aircraft and extinguishing fires. This represents a declining portion of the company's revenue, but the company

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

could not give assurances that the models causing concern have been taken out of production and will never again be produced.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 are examples of consideration of principal adverse impacts on sustainability factors:

Example 1 – PAI 12 - Number of women on Board of Directors

The Investment Manager captures the number of companies in the portfolio that do not have any women on their boards. As at 31 December 2022, eight of the Fund's 47 investee companies had zero female board numbers. This represents 17% of the Fund by number of holdings and a lesser 12.5% of the Fund by weight, as on average the Investment Manager holds smaller positions in these companies. It should be noted that 6 of these 8 companies are in the technology sector, principally in high-value, leading edge companies related to the semiconductor industry. The remaining two companies are in much earlier stage economies: Vietnam and Saudi Arabia.

Part of the Investment Manager's process involves engagement with all companies regarding board structure, efficiency, controls and oversight which involves analysis of diversity representation and as part of this work it has questioned companies in this space over a period of years regarding the absence of women on their boards. There is a strong consensus in the response: despite a keen willingness, there is a shortage of women with sufficient seniority, specific technical skills and managerial experience in these particular areas due to very low levels of women having studied to become semiconductor engineers or software programmers 15-20 years ago – where they exist they are highly sought after, but are few and far between.

In middle-management and all tiers further down through technology organisations there are increasing numbers of women, which the Investment Manager views as encouraging and is hopeful that strong pipelines of future female leaders are being built, that investee companies are keen to bring into their leaderships teams or to board-level, in the not too distant future.

The Investment Manager has good relationships with the management of these companies and believes that they are well equipped to manage their top level talent and structure their management well, in a diversified manner such that strategic thought receives balanced input, challenge and the benefit of a range of backgrounds. The Investment Manager, and the investee companies, are highly aware of the paramount importance of a strong culture on the overall success of a business.

When the Investment Manager scores a company in its proprietary Material ESG scoring framework, it has the ability to make a specific adjustment with regard to board diversity – either to reflect very positive performance, or to deduct points for what it assesses to be a poor setup relative to industry peers.

The Investment Manager strongly supports gender and racial/ethnic diversity on boards of the Fund's investee companies, captures as much data as it can and engages to promote this, but there are nuances across the portfolio which the Investment Manager does not believe should be seen as negative, as companies try to invest in the right talent to support their business, now and for the future – which conversely provides a bright outlook for improvement.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

Example 2 – PAI 4 – Exposure to Fossil Fuels

The Fund excludes any company which has over 5% of its revenue derived from oil exploration and production. The Fund does not exclude investments into gas (natural gas/liquid natural gas or "LNG"). The Investment Manager views gas as a transition fuel or interim energy source, far cleaner than coal and required before society can move to a structure powered entirely by renewable energy.

Currently the Fund's only exposure to fossil fuels is via Reliance Industries in India. 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 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 is a co-lead investor of this engagement and spent significant time during the review period visiting management at their operations in India.

In addition, a letter was sent by one of the Climate Action 100+ engagement group participants to the Chair of Reliance Industries' Corporate Social Responsibility and Governance Committee highlighting a range of suggestions for potential improvement of the company's climate governance and strategy.

In terms of ongoing progress, compared to the previous year, the Investment Manager notes that Reliance Industries provided additional detail regarding its decarbonization strategy 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. Battery capacity for large scale energy storage is projected to reach 5GWh by 2024 and 50GWh by 2027. Moreover, Reliance Industries expanded its plans with the announcement of the fifth Gigafactory for Power Electronics and reiterated its commitment to further investment in India's energy transition.

At the consolidated level, the company's Financial Year 2022 emissions performance showed improvement year-on-year with some reduction across most GHG metrics. The company has targeted Taskforce for Climate-related Financial Disclosure (TCFD) reporting by 2024 and has an ambition to implement Science Based Targets Initiative (SBTi) reporting too.

Reliance Industries has also been improving some aspects on governance, notably Board oversight and compensation structures, which will take a further 2 years. Part of the improvement in governance includes the establishment of the Reliance New Energy Council, an internal advisory council where the intention is to gain knowledge and perspective from the experience of the council members and for them to help assist Reliance's transition.

Example 3 – UNGC Controversies

In November 2022, third party ESG rating providers released new controversies research which led to downgrades on UNGC compliance for a number of companies with Chinese operations. The downgrades related to alleged involvement in Xinjiang province and the alleged infringements of human rights and civil liberties of the Uyghur population.

As part of these actions, Tencent, an investee company, was not downgraded but flagged on the 'watchlist' due to allegations of use of surveillance and using social media records to spy on Uyghur communications through WeChat and other social platforms. The UN Human Rights Office of the High Commissioner (OHCHR) and Australian Strategic Policy Institute (ASPI) have made mention on Tencent in reports related to human rights and surveillance practices in China.

As the Investment Manager considers UNGC compliance as a PAI indicator this is something it takes seriously. The Investment Manager has been engaging with the company and carrying out further due diligence relating to this issue, while taking into account the context that Tencent is operating under Chinese law, as defined by the Chinese Communist Party (CCP). The management have made clear to the Investment Manager that they have at all times complied with Chinese law and Chinese law makes clear that the CCP must at all times be given access to all information and data they request. This has been the case for many years and is well understood by the market and by Chinese society.

The Investment Manager does not believe that Tencent is enabling or complicit in any human rights abuse. Conversely, Tencent has changed the face of Chinese society in its democratisation of access to communication and information for the widest groups in society via its WeChat app and access to finance via WeChat Pay. These innovations leapfrogged desktop computing and credit cards for the Chinese population in a way that catapulted development and opportunities for all – granting more rights, not compromising them.

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

Emerging Market Stars Fund continued

Indicator[5]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[6]
GHG Emissions (TCO2e)	Scope 1	11,882	94.2%	121,164	99.6%	-90%
	Scope 2	8,013	94.2%	27,220	99.6%	-71%
	Scope 1 & 2	19,894	94.2%	148,383	99.6%	-87%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	20.38	94.2%	162.77	99.6%	-87%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	110.35	94.2%	283.81	99.6%	-61%
Female Board Representation (%)		18.4%	94.2%	16.6%	99.6%	11%

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 2022

Largest investments	Sector	% Assets	Country
Taiwan Semiconductor	Semiconductors	8.0	Taiwan
Tencent	Internet	7.4	Cayman Islands
Samsung Electronics	Semiconductors	5.9	Republic of South Korea
Alibaba Group Holdings	Internet	4.4	Cayman Islands
Reliance Industries -	Oil & Gas	4.2	India
JD.Com Inc	Retail & Wholesale -	4.0	Cayman Islands
Meituan Dianping	Internet	3.4	Cayman Islands
Phoenix Mills	Real Estate	3.2	India
AIA	Life/Health Insurance	3.1	Hong Kong
Ivanhoe Mines	Mining	3.0	Canada
Shenzhen Inovance	Electronics	2.6	People's Republic of
HDFC Bank	Banking	2.5	India
MercadoLibre	Internet	2.4	United States
Samsung SDI	Telecommunications	2.2	Republic of South Korea
eMemory Technology	Semiconductors	2.2	Taiwan

[5] 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 2022. Benchmark: MSCI Emerging Market Net Total Return Index. 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 €1,000m as of 31 December 2022. 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.

[6] 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 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 96.9% investment in equity and equity warrants. Therefore, on average 96.9%[7] 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 in 40%[8] of its investments in Sustainable Investments with an environmental or social objective.

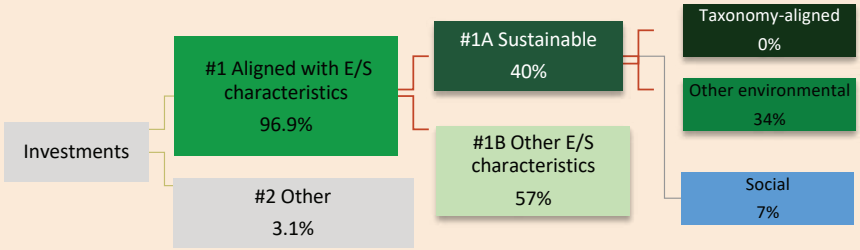
Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Aligned with E/S characteristics', '#1A sustainable' etc.)

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.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[7] 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).

[8] Please note that the Fund formalised its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. 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 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

In economic sectors were the investments made?

Economic Sectors	% Assets[9]
Internet	20.4%
Semiconductors	18.4%
Real Estate	7.6%
Electronics	7.0%
Banks	6.0%
Banking	4.3%
Oil & Gas	4.2%
Retail & Wholesale - Discretionary	4.0%
Software & Tech Services	3.3%
Life/Health Insurance	3.1%
Mining	3.0%
Basic Materials	2.4%
Telecommunications	2.2%
Retail	1.7%
Retail & Wholesale - Staples	1.6%
Computers	1.5%
Materials	1.4%
Energy-Alternate Sources	1.2%
Healthcare-Services	0.9%
Tech Hardware & Semiconductors	0.9%
Healthcare-Products	0.9%
Participatory Notes	0.9%
Consumer Discretionary Products	0.7%

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 2022 visiting management at their operations in India.

[9] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

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

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

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 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[10]?

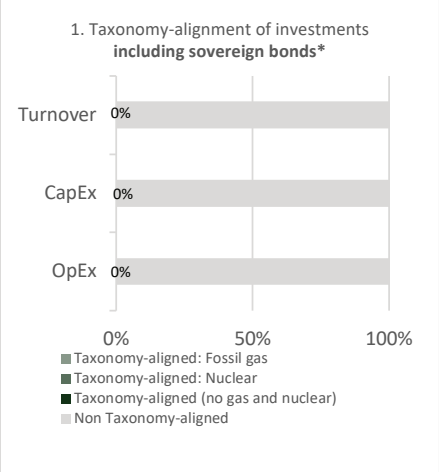
Yes:

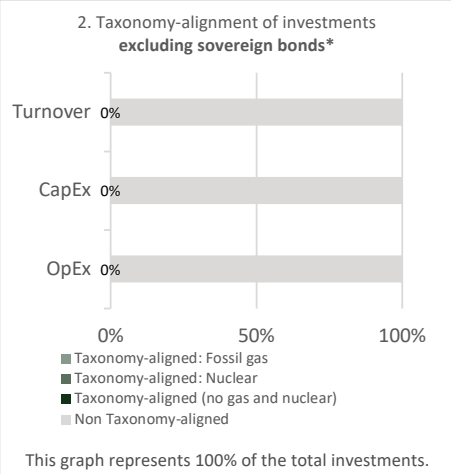
In fossil gas

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*

[10] 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 Stars Fund continued

What was the share of investments made in transitional and enabling activities?

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 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 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?

During December 2022, the percentage of Sustainable Investments with an environmental objective not aligned with the EU Taxonomy was 34%. [11]

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 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 socially Sustainable Investments within the Fund was 7%.[12]

[11] Please note that the formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. 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 as at 31 December 2022.

[12] Please note that the formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. 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 as at 30 December 2022.

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 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.[13]

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:

Apollo Hospitals: The Investment Manager engaged with Apollo regarding its use of solar power, as the company continues to think more seriously about sustainability. Apollo already generates 40% of energy from renewable sources, with a target to reach 70% in the medium-term. Solar panels are installed on the roof of a number of its hospitals, including its Vanagaram hospital in Chennai. It has installed 100 panels with a capacity of 250 watts per panel, giving a capacity of 25 KWh. Annually, all Apollo's hospitals across the state of Tamil Nadu have an aggregate power requirement of 60 million KWh to which wind power is also contributing, helping to substantially reduce the company's carbon footprint, even as it continues to grow.

Ivanhoe Mines: The Investment Manager undertook a significant onsite due diligence across a range of factors at Ivanhoe Mines in the Democratic Republic of Congo earlier this year. Given the company's location as well as the nature of its business in the extractives sector it was important for the Investment Manager to see and engage with all levels of the company in-country at its facilities. The Investment Manager was granted wide ranging access to speak with employees regarding working standards, rights, pay,

[13] 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 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Emerging Market Stars Fund continued

satisfaction, as well as taking tours to visit staff accommodation and purpose-built homes and facilities for resettled communities.

Management stressed that great care had been taken to provide equivalent housing with upgraded facilities such as close-by boreholes for fresh water supplies, so that young girls did not have to walk for hours a day and were instead able to go to school, meaning the time saved could enable life-changing education. Employee wages are benchmarked to local averages and in some cases employees are able to partake in equity schemes. Ivanhoe make strong efforts to ensure that there is no artisanal mining through their chain.

Chroma: The Investment Manager had a good discussion with Chroma related to ESG where it has recognised a need to broadly improve performance on a range of factors and, encouragingly, it has added recognition of this in to the KPIs for senior managers. It is particularly on Social and Governance areas that they have identified more of a need to improve as the company does not use a large amount of water, gas or energy in its operations. In the first instance, targets have been set to increase female director-level employees from a single-digit percentage to 20%. Additionally, the company has appointed a consultant to help with these initiatives as well as launching an ESG Foundation. Chroma recognises that improvements will take time, but the Investment Manager supports these initiatives.

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.

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: 549300Q96O5P02TCDU17

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments 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 (the "European ex UK Income Fund framework"), the Fund took positions in companies with positive or credibly improving aggregate scores against four categories:

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

European ex-UK Income Fund continued

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.

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 to measure the attainment of the Fund's ESG characeristics against the four categories described above.

The Investment Manager's 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 of 15. In September 2022 and December 2022, 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. Across all investee companies, the lowest score remained 11 out of 15[1].

The table below shows the Fund's performance against the sustainability indicators for the reference period[2]:

	30-Sep-22	31-Dec-22	Average[3]
Pillar 1 Score **Governance and Culture**	4.6	4.6	4.6
Pillar 2 Score **Strategy and Technology and Stakeholder Due Diligence**	4.5	4.5	4.5
Pillar 3 Score **Environmental Risk Management**	4.6	4.6	4.6
Overall Score	**13.7**	**13.6**	**13.7**

[1] The Fund was approved by the Central Bank of Ireland as an Article 8 Fund under the SFDR effective 26 August 2022. September 2022 is taken as the end of the first quarter for which the Fund was categorised as an Article 8 SFDR Fund. 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.

[2] This shows the portfolio 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.

[3] 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. The average exposure to each characteristic on a quarterly basis is calculated by taking a portfolio weighted average of the exposure.

In December 2022, 5 out of the 30 investee companies' scores changed. Of these scores, 3 incrementally improved, whilst 2 scores incrementally decreased (facilitating further engagement with the companies with decreasing scores).

…and compared to previous periods?

The Fund was classified as Article 8 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

European ex-UK Income 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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 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 and 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. UNGC violations and the confirmation that a company is a UNGC signatory, as well as production of controversial weapons, are all factors considered under Stakeholder Due Diligence.

In regard to Environmental Risk Management, we incorporate 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 the likes of Deutsche Telekom, NOS, and Air Liquide (amongst other companies) to ensure that all information necessary to measure the PAIs is provided.

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[4]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[5]
GHG Emissions (TCO2e)	Scope 1	3,216	100.0%	8,832	99.8%	-64%
	Scope 2	1,836	100.0%	1,370	99.8%	34%
	Scope 1 & 2	5,053	100.0%	10,202	99.8%	-50%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	42.23	100.0%	91.29	99.8%	-54%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	82.52	100.0%	126.20	100.0%	-35%
Female Board Representation (%)		41.5%	92.1%	38.9%	87.3%	7%

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 2022

Largest investments	Sector	% Assets	Country
TotalEnergies	Oil & Gas	4.94	France
Novartis	Pharmaceuticals	4.93	Switzerland
Sanofi	Medical-Drugs	4.59	France
Roche	Medical-Drugs	4.35	Switzerland
Siemens	Miscellaneous Manufacturing	4.18	Germany
Deutsche Telekom	Telecommunications	3.94	Germany
Zurich Insurance Group	Insurance	3.71	Switzerland
Vinci	Engineering & Construction	3.63	France
Danone	Food	3.59	France
Munich Re	Insurance	3.46	Germany
Industria de Diseno Textil	Retail	3.38	Spain
Swiss Re	Insurance	3.36	Switzerland
Sampo Plc	Multi-line Insurance	3.24	Finland
Orange	Telecommunications	3.23	France
Koninklijke KPN	Telecommunications	3.11	Netherlands

[4] 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 2022. Benchmark: MSCI Daily Net Total Return Europe ex UK 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 €120.1 m as of 31 December 2022. 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. 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.

[5] The figures shown demonstrate the difference in the performance of the Fund and Benchmark on each metric based on 100% data coverage (whether achieved or estimated).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

European ex-UK Income 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.

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.

What was the asset allocation?

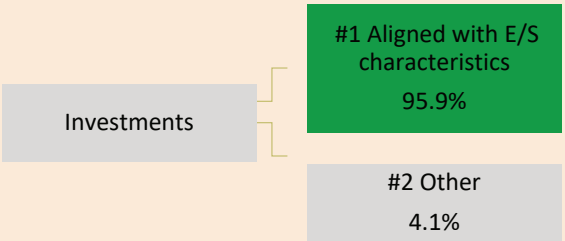
The Fund invested primarily in securities of issuers that are incorporated, have their headquarters, or exercise a significant part (greater than 20%) of their economic activities in European markets/ countries (excluding the United Kingdom).

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 Investment Manager's European ex UK Income Fund Framework, which was used to assess and deliver the environmental and social characteristics promoted by the Fund.

During the reference period, an average of 95.9%[6] 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.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[6] 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 at 30 September 2022 and 31 December 2022. Portfolio alignment is determined by investee companies' compliance with the Fund's exclusion criteria and by investee companies having positive or credibly improving scores as assessed under the European ex UK Income Fund Framework.

In which economic sectors were the investments made?

Economic Sectors	% Assets[7]
Insurance	16.50
Telecommunications	12.61
Medical-Drugs	8.94
Transportation	5.69
Oil & Gas	4.94
Pharmaceuticals	4.93
Chemicals	4.31
Miscellaneous Manufacturing	4.18
Engineering & Construction	3.63
Food	3.59
Retail	3.38
Multi-line Insurance	3.24
Industrial Services	3.06
Forest Products & Paper	3.04
Industrial	2.95
Household Products/Wares	2.79
Media	2.70
Beverages	2.60
Electronics	2.41
Basic Materials	2.40
Consumer Discretionary Products	1.77

The Fund has held two companies with exposure to fossil fuels during the reference period:

UPM-Kymmene Corporation (UPM)

UPM is a global forest company. UPM's business segments include UPM Biorefining, UPM Energy, UPM Raflatac, UPM Specialty Papers, UPM Paper ENA, UPM Plywood and Other operations. UPM is focussed on providing customers with responsibly sourced products and mitigating its environmental impact.

The UPM Energy business segment is an electricity producer. UPM Energy is the second largest provider of electricity in Finland and generates zero-carbon electricity in both independently owned and co-owned power plants through hydropower, nuclear and thermal power.

UPM has also invested in biofuels since 2015, thereby providing consumers with a low-emitting alternative to traditional fossil fuels. Customers for these products include oil refiners and blenders, distributors and retailers, and the petrochemical industry. UPM's Bioverna produces 80% less greenhouse gas emissions relative to fossil diesel and is produced from the residue of pulp production (the renewable crude tall oil wood extract).

[7] 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

European ex-UK Income Fund continued

Across the business, UPM has currently reached a 70% share in its own energy usage of renewable fuels and has an aim to reduce CO2 emissions from its own fossil fuel combustion and purchased electricity by 2030 (across Scope 1 emissions and Scope 2 emissions). Additionally, UPM has outlined that it is aiming to stop using coal and peat on-site by 2030 and is aiming to reduce supply chain emissions by 30% by 2030, from its levels in 2018. UPM has put in place carbon emission reduction targets that are aligned with the Paris Agreement and are validated by the Science Based Targets Initiative (SBTi).

TotalEnergies SE (Total)

Total is a French multinational energy company, providing fuels, natural gas and electricity. In our view, this company is instrumental in leading the energy transition.

Total operates across four segments: Exploration and Production, Gas, Renewables & Power, Refining & Chemicals and Marketing & Services.

Exploration & Production encompasses the oil and gas exploration and production activities, while Gas, Renewables & Power comprises activities conducted downstream of the production process and concerns natural gas, liquefied natural gas (LNG) and liquefied petroleum gas (LPG), as well as power generation, gas and power trading, marketing and the development of renewable energy activities (excluding biotechnologies) and the power storage. Energy efficiency activities are represented through a dedicated Innovation & Energy Efficiency division within the Renewables and Power segment.

Total has set a target to reduce carbon emissions from its operated industrial facilities (Scope 1 emissions and Scope 2 emissions) by over 40% by 2030 and will disclose the progress made at its operated and non-operated facilities. Furthermore, Total has set itself the target that by 2030 its global Scope 3 emissions, linked to the use by its customers of its energy products, will be below 2015 levels, while over the same period it plans to produce and sell 30% more energy products from growth in sales of electricity and liquified natural gas.

Additionally, Total has outlined that by 2050 renewable electricity will account for 50% of production, with a quarter of production resulting from carbon-free molecules, such as biofuels and biogas, and hydrocarbons only accounting for the final 25% of total production.

Total was one of the founding companies of the Oil and Gas Climate Initiative, which aims to ensure that the 12 major global energy companies provide solutions for a low carbon future, and collectively work to achieve Scope 1 and Scope 2 emissions carbon neutrality by 2050. Moreover, the company has been integrating carbon pricing, and applying an internal carbon price to its operations to encourage a better approach to energy management and capital allocation.

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 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[8]?

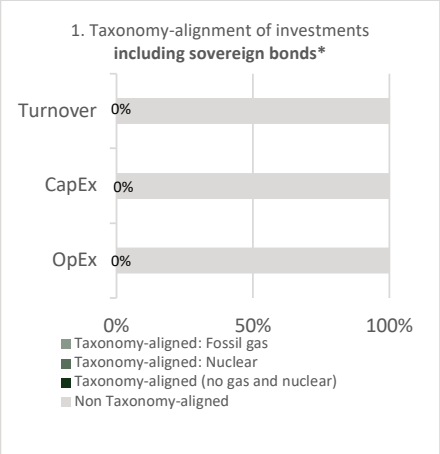
Yes:

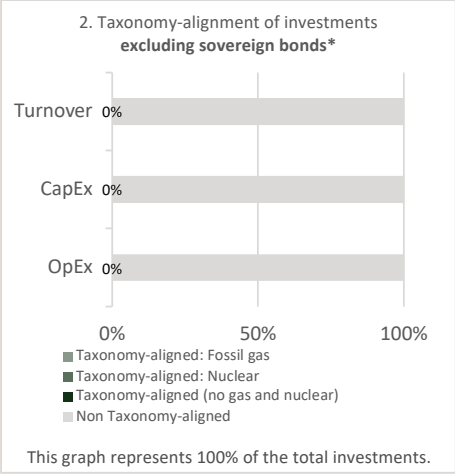
In fossil gas

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 under the EU Taxonomy Regulation.

[8] 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

European ex-UK Income 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 under 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 under the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

The Fund does not invest in socially Sustainable Investments.

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 4.1% 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.[9]

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 four 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.

Investee companies were also reviewed periodically against the European ex UK Income Fund Framework to ensure that their scores reflect their performance. During the review period, for example, the Investment Manager positively amended the sustainability score of Novartis. After Novartis' ESG presentation to investors, as well as further insight being gained into the company's Access Principles (for improving access to essential medicines and healthcare) and its new strategy for distribution of products in sub-Saharan Africa,

[9] 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 2022 and 31 December 2022.

the Investment Manager felt that relative to other pharmaceutical companies in the Fund, Novartis deserved to be rewarded with an incrementally higher score. This resulted in the Investment Manager changing the company's sustainability score from 11 to 12.

Siemens' sustainability score was reviewed during the reference period. Engagement with the company reassured the Investment Manager that the company adheres to stringent business conduct guidelines in order to ensure compliance with the UNGC, and moreover that the company has effective labour management tools in place. However, the Investment Manager is aware that with many multinationals, oversight of supply chains and subsidiaries can result in less stringent monitoring of employees: Siemens has over 300,000 employees and operates in 190 countries. Whilst the company indicated that no incidents of bribery in Brazil necessitated investigation, the Investment Manager wishes to continue to monitor the company. To ensure that the Investment Manager effectively oversees the company's management of its suppliers, and to encourage more frequent audits, particularly investigating the potential of forced labour, the Investment Manager has incrementally decreased the score from 15 to 14. Whilst Siemens has stringent mechanisms in place, the Investment Manager does feel that there is minor room for improvement, which a best-in-class score of 15 would not indicate.

As outlined earlier, the Investment Manager has engaged investee companies 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 set minimum standards that all companies should adhere to 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.

During the fourth quarter of 2022, the Investment Manager engaged with 5 companies; Deutsche Telekom, Air Liquide, Siemens, Total and NOS, having engaged with Nestle and UPM in the third quarter of 2022.

With Total in particular, the Investment Manager was concerned about the company's impact on biodiversity and the level of damage that Total may cause in protected areas, such as Tilenga in Uganda, or Mozambique. Engagement with the company's sustainability specialists ensured that the Investment Manager understood the high level of remedial action occurring in these areas to mitigate any potential negative impact, illustrated the actual scale of potential negative impact and illustrated the strong risk assessment and due diligence process in place. A key outcome from this meeting was that Total would create regular information sessions with the wider investor community about potential projects of concern.

The Investment Manager's engagement across all these companies provided the Investment Manager with the information it was seeking and reassured it about its assessments of these company's improving sustainability credentials.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

European ex-UK Income 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 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: 549300FZYEYEQXKDUP14

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments 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.

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").

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Absolute Return Fund continued

sustained, inclusive and sustainable economic growth, full and productive employment for all, efficient use of resources and protection against environmental degradation, an essential characteristic of the Fund's investment selection process.

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.

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 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 66.5%[1] of its 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%[2] of the long asset value of the Fund being positively aligned with the Fund Framework.

- ***…and compared to previous periods?***

  The Fund was classified as Article 8 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?***

[1] This figure 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.

[2] This figure 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 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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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

Global Absolute Return 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 2022

Largest investments	Sector	% Assets	Country
JET2	Airlines	6.24	United Kingdom
Cloudflare	Software & Tech Services	4.52	United States
ZTO Express Cayman	Industrial Services	4.38	United States
Sasol Financing USA	Materials	4.30	Cayman Islands
Chefs' Warehouse	Retail & Wholesale	4.16	United States
Axon Enterprise	Industrial Products	4.12	United States
Marriott Vacations Worldwide	Consumer Discretionary	4.10	United States
Coupa Software	Software & Tech Services	4.02	United States
Lantheus	Health Care	3.72	United States
Nutanix	Software & Tech Services	3.68	United States
Blackline	Software & Tech Services	3.55	United States
Array Technologies	Renewable Energy	3.52	United States
Chart Industries	Industrial Products	3.49	United States
Neoen	Utilities	3.47	France
Bloomin' Brands	Consumer Discretionary	3.36	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 seeks 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.

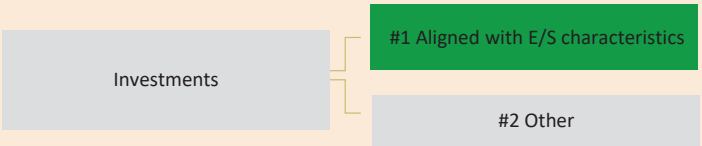
During the reference period the Fund averaged 66.9%[3] of its long asset value to meet the environmental or social characteristics promoted by the Fund.

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.

[3] 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.

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.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

Economic Sectors	% Assets[4]
Software & Tech Services	18.56
Health Care	12.09
Industrial Products	9.24
Consumer Discretionary Services	7.46
Materials	6.78
Airlines	6.24
Renewable Energy	5.76
Consumer Discretionary Products	5.58
Industrial Services	5.50
Media	4.25
Retail & Wholesale – Staples	4.16
Mining	3.91
Utilities	3.47
Financial Services	2.45
Healthcare-Products	2.29
Oil & Gas	1.25
Real Estate	1.11
Tech Hardware & Semiconductors	1.05
Iron/Steel	0.86

[4] This shows the percentage of the Fund's long assets within each economic sector as at 31 December 2022.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Absolute Return 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.

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 fossil fuel value and supply chains 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.

Sasol and Vertex are prime examples of this focus. Sasol is the world's largest producer of hydrogen, all of which is currently grey. However, the company has credible plans to become a fully green hydrogen producer within the decade – something which is clearly an environmental & social positive and a transition we wish to fund.

Similarly, after purchasing a conventional refinery from Shell, Vertex immediately began converting 2 of the 7 trains to produce renewable biodiesel, again a net reduction in carbon emissions from this plant and a positive in terms of a transition to a more sustainable energy framework.

Alternatively, investments like BP (already making significant progress to transition towards clean energy production), Iberdrola (a top 3 global solar power producer), NEP (one of the top 3 renewable independent power producers in the US), EDF (France's nuclear power "champion"), and Gaztransport (technology enabling greater adoption of LNG) represent companies that are more advanced on their transition to renewable and "future proof" energy mixes.

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[5]?

Yes:

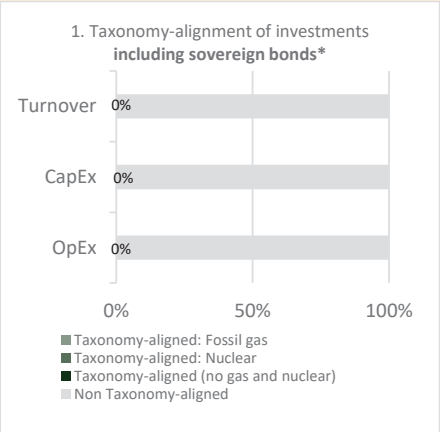
In fossil gas

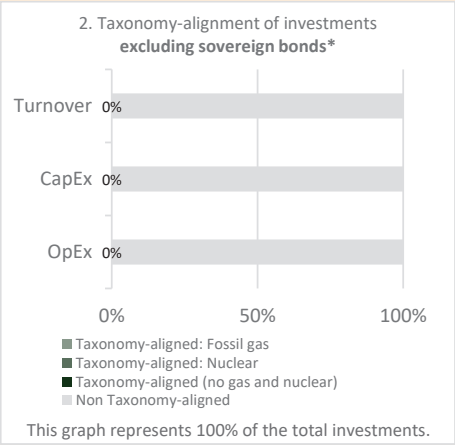
In nuclear energy

✖ **No**

[5] 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*

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.

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 under the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

The Fund does not invest in socially sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Absolute Return Fund continued

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 renumeration 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.

The following is an example of an assessment of an issuing company, in line with the Global Absolute Return Fund Framework:

Soitec:

Soitec is a designer of innovative semiconductor materials. Chips based on its SOI (silicon on insulator) are able to achieve much better thermal and energy efficiency than traditional bulk silicon techniques. This is a crucial aspect of the growth of the smartphone and mobile technology industry.

Soitec discloses its greenhouse gas (GHG) emissions and has an approved Science Based Targets initiative (SBTi) carbon emissions reduction target in place. Soitec has committed to reducing its absolute Scope 1 and 2 GHG emissions by 25.2% by 2026 from a 2020 base year. Furthermore, Soitec has committed to reducing its Scope 3 GHG emissions by 35.3% per million Euros value added by 2026 from the same 2020 base year.

Soitec has grown its number of employees from 880 in 2016 to 1750 in 2021 which demonstrates that it has engagement initiatives to assist with the retention of its workforce.

Soitec has more than doubled revenues over the past 3 years with revenues projected to double again by 2023. Net income and ROIC are both positive and growing.

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

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

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments 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.

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").

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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, efficient use of resources and protection against environmental degradation, an essential characteristic of the Fund's investment selection process.

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 66.5%[1] 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%[2] of the long market value of the Fund that was positively aligned with the Global Convertible Fund Framework.

- ***…and compared to previous periods?***

  The Fund was classified as Article 8 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.

[1] 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.

[2] 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

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 2022

Largest investments	Sector	% Assets	Country
Vail Resorts	Consumer Discretionary	4.80	United States
Dufry One	Retail	3.85	Switzerland
Ascendis Pharma	Health Care	3.68	Denmark
Blackline	Software & Tech Services	3.67	United States
MP Materials	Mining	3.61	United States
Nutanix	Software & Tech Services	3.52	United States
JET2	Airlines	3.49	United Kingdom
Cloudflare	Software & Tech Services	3.23	United States
Coupa Software	Software & Tech Services	3.12	United States
ELM	Insurance	3.06	Switzerland
ZTO Express Cayman	Industrial Services	2.76	Cayman Islands
Air Transport Services	Industrial Services	2.73	United States
BioMarin Pharmaceutical	Health Care	2.45	United States
Ivanhoe Mines	Mining	2.43	Canada
SolarEdge Technologies	Renewable Energy	2.17	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 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 66.9%[3] 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.

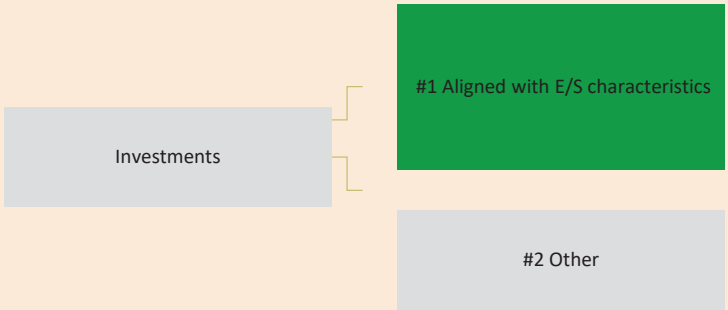
[3] This shows the percentage of the long market value of the Fund's assets, on a portfolio weighted basis, that scored positively against the Global Convertible Fund Framework. The average is calculated as a simple average of the Fund's percentages as at 30 September 2022 and 31 December 2022. The Fund 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

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.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

Economic Sectors	% Assets[4]
Software & Tech Services	20.24
Health Care	12.26
Consumer Discretionary Services	10.07
Industrial Services	9.87
Mining	6.04
Materials	5.16
Tech Hardware & Semiconductors	4.17
Retail	3.85
Airlines	3.49
Retail & Wholesale - Discretionary	3.13
Renewable Energy	3.12
Insurance	3.06
Utilities	3.06
Media	2.66
Oil & Gas	2.23
Commercial Services	1.27
Real Estate	1.19
Building Materials	1.19

[4] This shows the percentage of the Fund's long assets within each economic sector as at 31 December 2022.

Industrial Products	1.05
Consumer Discretionary Products	0.79
Software	0.62
Iron/Steel	0.56
Telecommunications	0.53

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.

Sasol and Vertex are prime examples of this focus. Sasol is the world's largest producer of hydrogen, all of which is currently grey. However, the company has credible plans to become a fully green hydrogen producer within the decade – something which is clearly an environmental & social positive and a transition we wish to fund.

Similarly, after purchasing a conventional refinery from Shell, Vertex immediately began converting 2 of the 7 trains to produce renewable biodiesel, again a net reduction in carbon emissions from this plant and a positive in terms of a transition to a more sustainable energy framework.

Alternatively, investments like BP (already making significant progress to transition towards clean energy production), Iberdrola (a top 3 global solar power producer), NEP (one of the top 3 renewable independent power producers in the US), EDF (France's nuclear power "champion"), and Gaztransport (technology enabling greater adoption of LNG) represent companies that are more advanced on their transition to renewable and "future proof" energy mixes.

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 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[5]?

[5] 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

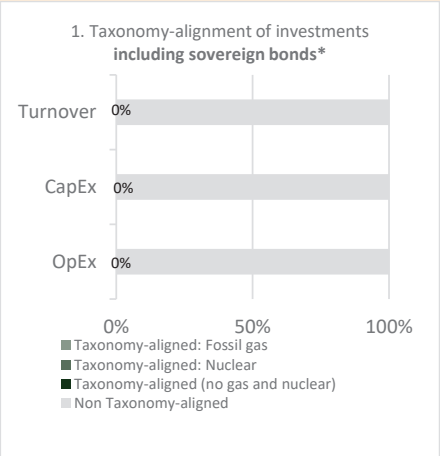
Global Convertible Fund continued

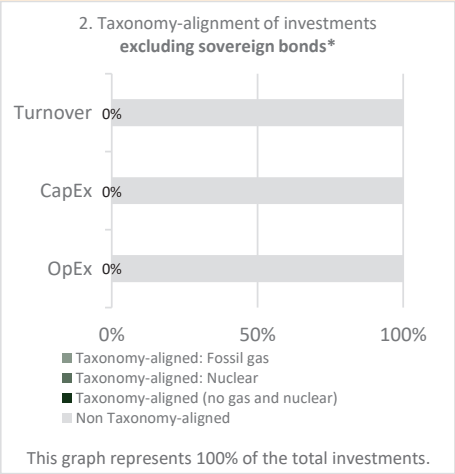
☐ **Yes:**

☐ 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*

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 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 socially sustainable investments.

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 investments from the long book 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 UN 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 renumeration 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.

The following is an example assessment of an issuing company that is positively aligned with UN SDG 8 as assessed through the Global Convertible Fund Framework:

Soitec:

Soitec is a designer of innovative semiconductor materials. Chips based on its SOI (silicon on insulator) are able to achieve much better thermal and energy efficiency than traditional bulk silicon techniques. This is a crucial aspect of the growth of the smartphone and mobile technology industry.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Convertible Fund continued

Soitec discloses its greenhouse gas (GHG) emissions and has an approved Science Based Targets initiative (SBTi) carbon emissions reduction target in place. Soitec has committed to reducing its absolute Scope 1 and 2 GHG emissions by 25.2% by 2026 from a 2020 base year. Furthermore, Soitec has committed to reducing its Scope 3 GHG emissions by 35.3% per million Euros value added by 2026 from the same 2020 base year.

Soitec has grown its number of employees from 880 in 2016 to 1750 in 2021 which demonstrates that it has engagement initiatives to assist with the retention of its workforce.

Soitec has more than doubled revenues over the past 3 years with revenues projected to double again by 2023. Net income and ROIC are both positive and growing.

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.

Global Insurance 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 Insurance Fund (the "Fund")
Legal entity identifier: 549300NR2E7UPARF0U07

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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 Investment Manager was active during the Financial Year 2021/2022 Proxy Voting season, which predominantly took place in April and May 2022, engaging with numerous management teams of companies in the Fund, which is discussed in more detail below, as part of the Fund's ongoing assessment of

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Insurance Fund continued

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 demonstrates whether, and to what extent, the Fund's holdings within that underwriting risk area have contributed to each UN SDG over the reference period.

The Global Insurance UN SDG Matrix incorporates both the Investment Manager's ESG scoring of investee companies and the information received by the Investment Manager as a result of engagements 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.

At the end of the reference period, 28% of the Fund's underwriting mix had a high impact on one or more of the UN SDGs, while 13% had a strong impact, 59% a positive impact and 0% had no impact or an adverse impact.

As at 31 December 2022, 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 UN SDG Matrix.[1]

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.

[1] 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.

Portfolio Overview	31 December 2022 Weighting	UN Sustainable Development Goals 1	2	3	4	5	6	7	8	9
Personal Insurance	**12%**									
Personal Auto	*9%*	X		X	X				X	X
Homeowners	*3%*	X	X		X		X	X	X	X
Commercial Insurance and Reinsurance	**70%**									
Property (Re)insurances	20%									
Property Catastrophe Reinsurance	*4%*	X	X				X	X	X	X
Other Property Reinsurance	*6%*	X	X				X	X	X	X
Property Insurance	*7%*	X	X				X	X	X	X
Marine and Energy	3%						X	X	X	X
Crop	1%	X	X		X	X	X	X	X	X
Casualty (Re)insurances	37%									
General Casualty (D&O, E&O etc)	14%			X		X	X		X	X
Commercial Multi Peril	*4%*	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	*6%*	X	X	X		X			X	X
Medical Malpractice	*1%*	X	X	X		X			X	X
Casualty Reinsurance	*6%*			X		X	X		X	X
Mortgage and Title	8%	X	X						X	X
Critical Illness and Health Insurance and Reinsurance	4%									
Critical Illness and associated healthcare coverages	*2%*	X	X	X	X	X			X	X
Life Reinsurance	*2%*	X	X	X					X	X
Other - including Brokers and Life	**18%**									
(Re)insurance Brokers	11%			X	X	X			X	X
Life (excluding Critical Illness)	3%	X	X	X					X	X
Other	4%								X	X
Corporate ESG Assessment	-									
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
Fund Manager Engagement	-									
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
Total Impact	100%	23	20	17	12	14	16	12	28	27
o/w High Impact		12	7	6	3	2	0	0	15	7
o/w Strong Impact		4	1	3	0	2	4	1	7	7
o/w Positive Impact		7	12	8	9	10	12	11	6	13
o/w No Impact		0	0	0	0	0	0	0	0	0
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

Portfolio Overview	31 December 2022 Weighting	UN Sustainable Development Goals 10	11	12	13	14	15	16	17
Personal Insurance	**12%**								
Personal Auto	*9%*		X	X	X		X	X	X
Homeowners	*3%*	X	X	X	X		X	X	X
Commercial Insurance and Reinsurance	**70%**								
Property (Re)insurances	20%								
Property Catastrophe Reinsurance	*4%*	X	X	X	X	X	X		X
Other Property Reinsurance	*6%*	X	X	X	X		X		X
Property Insurance	*7%*	X	X	X	X		X		X
Marine and Energy	3%		X	X	X	X			
Crop	1%	X	X	X	X	X	X		X
Casualty (Re)insurances	37%								
General Casualty (D&O, E&O etc)	14%	X	X	X	X	X	X	X	X
Commercial Multi Peril	*4%*	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	
Personal Accident, Health and Pet	*6%*	X						X	
Medical Malpractice	*1%*	X						X	
Casualty Reinsurance	*6%*	X	X	X	X	X	X	X	X
Mortgage and Title	8%	X	X	X			X	X	X
Critical Illness and Health Insurance and Reinsurance	4%								
Critical Illness and associated healthcare coverages	*2%*	X	X	X				X	X
Life Reinsurance	*2%*	X	X	X				X	X
Other - including Brokers and Life	**18%**								
(Re)insurance Brokers	11%	X	X		X				X
Life (excluding Critical Illness)	3%	X	X	X				X	X
Other	4%			X					X
Corporate ESG Assessment	-								
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
Fund Manager Engagement	-								
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
Total Impact	100%	23	24	23	17	14	17	20	24
o/w High Impact		5	6	2	6	3	1	10	6
o/w Strong Impact		1	1	2	3	0	1	3	4
o/w Positive Impact		17	17	19	8	11	15	7	14
o/w No Impact		0	0	0	0	0	0	0	0
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 of 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?

UN SDG Impact	2021	2022[2]
High Impact	28%	28%
Strong Impact	11%	13%
Positive Impact	61%	59%
No Impact	0%	0%
Adverse Impact	0%	0%

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.

[2] 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 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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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?

GHG Emissions - During the financial year 2021/2022 proxy season, which predominantly took place in April and May 2022, Chubb and Travelers, both investee companies of the Fund, were subject to shareholder resolutions calling for the measurement or disclosure of financed greenhouse gas ("GHG") emissions related to underwriting and investment activities and the cessation of underwriting of fossil fuel investments.

The Investment Manager participated in significant engagement with both companies around these points, which included meetings discussing comprehensive commentary issued by the companies that provided further context to their ESG approach and specifically with respect to GHG emissions. The companies highlighted the significant

difficulties of measuring the GHG emissions of the companies they insure within their underwriting portfolios and that there are challenges in respect of some investments where measurement is not currently expected to result in the publication of useful data.

It is not realistic to expect Fund holdings to no longer underwrite fossil fuels given the need for energy security and the negative impact this would have on the ability to fund the net zero carbon emissions transition and for many consumers there is currently no viable net zero alternative to fossil fuels. However, the Investment Manager's approach is to continue to encourage companies and investee companies through engagement to align with the approach of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance.

The Investment Manager made several recommendations to management teams over the review period with respect to how they could improve the implementation of the UNEP FI Principles into the underwriting and investment process and it was pleasing later in the year to discover at subsequent company meetings that several of these recommendations had been adopted.

Fossil Fuels - During the Financial Year 2021/2022 Proxy Voting season the Investment Manager voted against Berkshire Hathaway management in one instance to persuade them to further engage with the reporting 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 Goals.

It is 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 prior to these discussions 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.

Social and employee matters - The Investment Manager monitored PAI compliance with respect to social and employee matters through the UN SDG Matrix which aggregated the impact of both revenue specific and corporate entity analysis. This 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".

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Insurance Fund continued

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 but expects to see positive directional momentum over time.

An investee company's performance on this PAI feeds into the UN SDG matrix through the Corporate ESG Assessment element of the Investment Manager's ESG scoring process where it is then reflected within the 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 a 1% improvement in Board Diversity scores across the Fund during the reference period illustrating gradual improvement, but scores are lower in comparison to other categories of Governance scoring highlighting that continual progress over time is important as directors come up for election. In addition, there was an increase in Board Experience scores demonstrating Fund companies' ability to continue to obtain the highest quality of talent at the same time as making diversity improvements.

Indicator[3]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[4]
GHG Emissions (TCO2e)	Scope 1	8,032	99.3%	1,352	100.0%	494%
	Scope 2	2,384	99.3%	2,423	100.0%	-2%
	Scope 1 & 2	10,415[5]	99.3%	3,776	100.0%	176%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	3.76	98.0%	1.44	100.0%	161%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	8.43	99.3%	2.37	100.0%	255%
Female Board Representation (%)		29.7%	99.3%	34.5%	100.0%	-14%

[3] 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 2022. Benchmark: MSCI Daily TR World Net Insurance Index. 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 €2,840.5 m as of 31 December 2022. 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.

[4] 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).

[5] 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 75% of Scope 1 & 2 emissions, based on a snapshot as of 31 December 2022.

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 2022

Largest investments	Sector	% Assets	Country
Arch Capital	Property/Casualty	9.28	Bermuda
Chubb	Multi-line	7.04	Switzerland
Marsh & McLennan Cos	Insurance Brokers	6.89	United States
RenaissanceRe	Reinsurance	6.17	Bermuda
Markel	Property/Casualty	5.55	United States
Fairfax Financial	Reinsurance	4.86	Canada
WR Berkley	Property/Casualty	4.52	United States
Essent	Reinsurance	4.16	Bermuda
Intact Financial	Property/Casualty	3.68	Canada
Aon	Insurance Brokers	3.57	Ireland
Travelers Cos	Property/Casualty	3.54	United States
Reinsurance of America	Reinsurance	3.46	United States
Everest Re	Reinsurance	3.17	Bermuda
Beazley	Property/Casualty	2.94	United Kingdom
Progressive Corp	Property/Casualty	2.89	United States

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

The Fund does not invest in Sustainable Investments as defined under Article 2 (17) of the SFDR.

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.

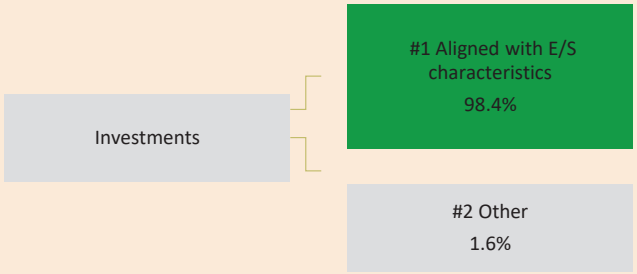
During the reference period, an average of 98.4% of the Fund's investments were positively aligned with one or more UN SDGs using the Global Insurance UN SDG Matrix[6].

[6] 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).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Insurance 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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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[7]
Property/Casualty Insurance	46.38
Reinsurance	22.51
Insurance Brokers	12.34
Multi-line Insurance	10.61
Life/Health Insurance	6.83

The Fund's direct exposure to fossil fuels is confined to its investment in Berkshire Hathaway, a mid-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, has applicable revenues equating to c. 6% of total group revenues.

However, the Investment Manager believes that Berkshire Hathaway Energy is transitioning its business model towards renewable energy at a satisfactory pace and making key investments that will help to facilitate the transition more broadly, particularly in US energy transmission capability. 45% of 2021 power generation was from renewables up from 10% in 2005 which reflects capital investment of c.$36bn to December 2021. A further $7.5bn investment in wind and solar development is budgeted by the end of 2024. Existing plans are expected to achieve a 50% reduction in CO2 emissions by 2030 from 2005 levels.

[7] Figure shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

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 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[8]?

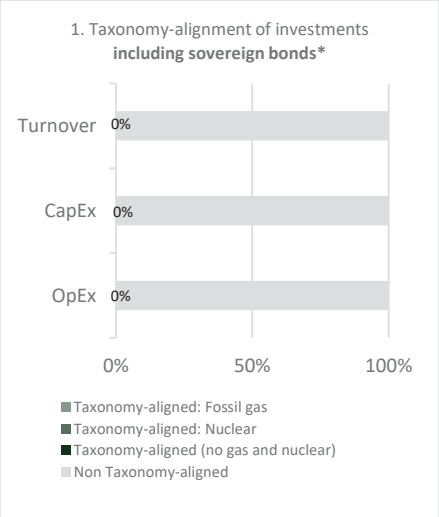
Yes:

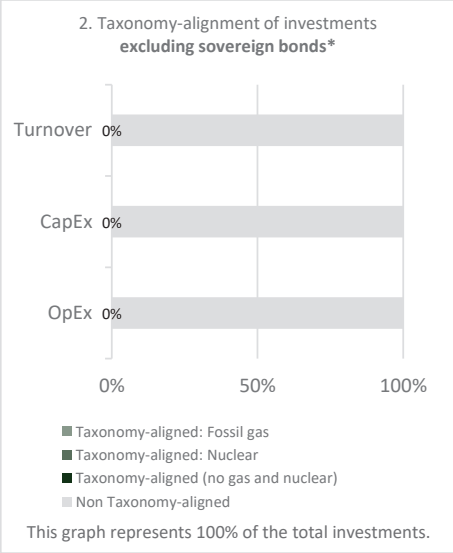
In fossil gas

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*

[8] 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 Insurance Fund continued

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.

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 under the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

The Fund does not invest in socially sustainable investments.

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 1.6% 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.[9]

Any equity holdings not positively aligned with the promoted E/S characteristics were held in order to meet the Fund's investment objective: to achieve long term capital appreciation. As highlighted within the investment strategy, the Investment Manager carries out 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 Fund has consistently applied the methodology of the Global Insurance UN SDG Matrix to the Fund holdings and portfolio composition during the reference period.

[9] 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.

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 Fund continued to engage with holdings specifically around 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 environmental, social and governance metrics that the Investment Manager believed were relevant, the Investment Manager engaged with those investee companies to encourage improved ESG performance thereby ensuring continued alignment with the UN SDGs.

Only one investee company demonstrated deteriorating performance against the Fund's increasingly stringent ESG criteria during the year which was Berkshire Hathaway (a c.2.7% average holding over the period). The Investment Manager voted for a resolution that encouraged increased disclosure around climate reporting and the transparency of its climate footprint and to more clearly articulate its approach to the transition. This was against the company management's recommendation. Although this resolution did not pass there was subsequently some progress evidenced at the May 2022 AGM management discussion which the Investment Manager attended which showed that management had, to some extent, taken note of shareholders' concerns.

The Investment Manager has also been participating in a significant engagement with James River to improve its low ESG rating. The company management has begun to make material progress from an ESG perspective, which has subsequently led to a notable increase in the company's ESG score (although this is yet to be recognised by external ESG rating agencies). This has primarily arisen due to various resolutions around governance that were brought to a vote (and subsequently approved) at the 2022 shareholder AGM.

Turning to changes experienced by investee companies in relation to social factors during the review period, investee companies showed a c.1% positive trend in the Investment Manager's ESG scores with no areas of material concern noted.

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 the most significant improvement of around 5% in the Investment Manager's ESG scores 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, such as the one discussed above with Chubb.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Insurance 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 Technology 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 Technology Fund (the "Fund")
Legal entity identifier: 549300OF1H21ODJZM634

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Technology Fund continued

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, 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 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 87.9% 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[1].

The breakdown of revenue alignment per promoted characteristic is highlighted in the table below:

Characteristics	Quarterly Revenue Alignment[2]			Average[3]
	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%**
Total	**89.1%**	**87.8%**	**86.7%**	**87.9%**

There were no investments that failed the exclusion criteria for the whole reference period.

...and compared to previous periods?

[1] 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 June 2022, 30 September 2022 and 31 December 2022) and calculating the simple average of the quarterly alignment figures. This excluded the first quarter of the calendar year as the Fund was not classified as Article 8 at this time.

[2] 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.

[3] 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 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.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 Technology Fund continued

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 of investee companies were evaluated using either data provided by a third party data provider or, where this was unavailable, the investee company's own disclosures in their Annual Report, 10K or 20F, Sustainability or ESG Reports. Scope 1 and Scope 2 emissions were considered. This emissions data is used to collectively consider Principal Adverse Impacts – GHG Emissions, Carbon Footprint and GHG Intensity.

This emissions data was then referenced against the Fund's benchmark, 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 emissions were flagged as being above a certain threshold or the company is in a High Impact Climate Sector, the Investment Manager assessed 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 emission trend is on track with the reduction target.

For those investee companies that failed these tests, the Investment Manager conducted an in-depth additional review on a case-by-case basis. This review verifies the accuracy of any data provided by third parties, checks whether the investee company was intending to set new reduction targets soon and checks whether the investee company had committed to SBTi accreditation in the future or otherwise 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, engagement was undertaken with the relevant companies. Examples of investee companies with whom the Investment Manager engaged with include On Semiconductor, Samsung Electronics and Taiwan Semiconductor Manufacturing (TSMC). Questions to these investee companies included, but were not limited to, why their GHG emissions were high compared to relevant peers and why they were not committing to SBTi accredited reduction targets. These engagements are ongoing and the Investment Manager will evaluate the adequacy of the responses received.

The Investment Manager considered the 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 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 Board of Directors of every investee company was considered for gender diversity. When a

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 the Investment Manager considered needed to improve their gender diversity in time are BYD and Meituan. The latter has a publicly stated strategy of adding female board representatives by the end of 2024, when existing, contractual board tenure expires. The Investment Manager engaged with BYD to enquire about its strategy. This engagement is still ongoing and the Investment Manager will evaluate the adequacy of the responses received.

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 Activision Blizzard, Alphabet, Amazon, Apple and Tencent. Engagement has taken place, or is scheduled to take place, with some of these companies and the Investment Manager will evaluate the adequacy of the responses received.

During the reference period, as an example, we engaged with Activision Blizzard. The company was highlighted due to lawsuits, regulator complaints and state and federal investigations into allegations of gender discrimination and sexual harassment over a period of months. The call with the company probed the allegations and lawsuits in detail, the changes the company had or is intending to make as a result of the issues, and any impact on the company's workforce from any reputational damage.

Further engagement with the company subsequently took place in September 2022 to discuss in specific detail the issues surrounding the lawsuits facing the company over previous months and to investigate any improvements in the company's ESG practices in their response to these issues. This was a satisfactory engagement in that we learnt of 60 new initiatives introduced by the company to improve its ESG practices.

Many of these initiatives are aimed at improving the diversity of the company's workforce, with specific targets including reaching a third of female or non-binary proportion of employees within 5 years. A Chief Diversity, Equality and Inclusion Officer has also been hired. The Investment Manager believes these steps represent a good foundation to support further improvement in the company's reputation and, moreover, the Investment Manager believes there has been a fundamental improvement in how the executive management and company generally treat ESG issues.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Technology Fund continued

As a result, the Investment Manager has taken the view that ESG concerns are no longer a material impediment to owning the stock given the attractive investment case. The Fund therefore held a position in the company at the year end, but the Investment Manager will continue to monitor developments and progress on these issues.

At the AGM of Alphabet (one of the companies highlighted for alleged norms violations) held in June 2022, the Investment Manager voted against management recommendations on several shareholder proposed resolutions linked to norms violations, for example concerning racial equality, lobbying payments, management of misinformation and use of algorithms.

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[4]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[5]
GHG Emissions (TCO2e)	Scope 1	5,195	98.9%	6,782	99.0%	-23%
	Scope 2	13,172	98.9%	17,641	99.0%	-25%
	Scope 1 & 2	18,367	98.9%	24,423	99.0%	-25%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	5.13	96.7%	7.14	99.0%	-28%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	28.99	98.9%	30.13	99.3%	-4%
Female Board Representation (%)		29.3%	98.9%	31.5%	99.1%	-7%

[4] 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 2022. Benchmark: Dow Jones Global Technology Net Total Return Index. 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 €3,818m as of 31 December 2022. 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.

[5] The figures shown demonstrate the difference in performance of the Fund and 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 2022

Largest investments	Sector	%Assets	Country
Microsoft	Software	8.60	United States
Apple	Computers	6.69	United States
Alphabet	Internet	4.23	United States
Advanced Micro Devices	Semiconductors	3.77	United States
ServiceNow	Software	2.88	United States
KLA Corp	Semiconductors	2.50	United States
NVIDIA	Semiconductors	2.30	United States
ASML	Semiconductors	2.18	Netherlands
Lattice Semiconductor	Semiconductors	2.14	United States
HubSpot	Software	2.01	United States
Arista Networks	Tech Hardware & Semiconductors	2.00	United States
Visa	Diversified Financial Services	1.98	United States
Taiwan Semiconductor	Semiconductors	1.82	Taiwan
Nintendo	Tech Hardware & Semiconductors	1.66	Japan
E Ink	Tech Hardware & Semiconductors	1.62	Taiwan

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 87.9% 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.[6]

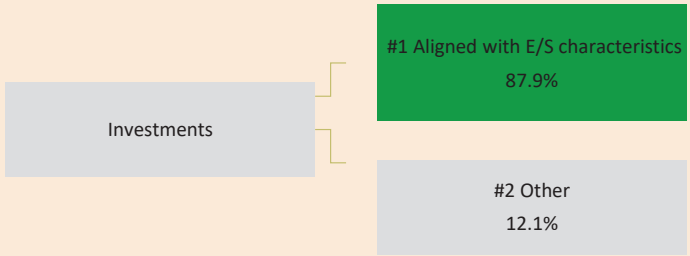
The Fund's investments identified as #2 Other in the below diagram were held in equity securities that did not contribute towards the Fund's promoted characteristics, cash and/or derivative instruments.

[6] 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 June 2022, 30 September 2022 and 31 December 2022) and calculating the simple average of the quarterly alignment figures. This excluded the first quarter of the calendar year as the Fund was not classified as Article 8 at this time.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Technology 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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

In which economic sectors were the investments made?

Economic Sectors	% Assets[7]
Semiconductors	22.71%
Software	20.35%
Internet	13.17%
Computers	9.66%
Tech Hardware & Semiconductors	8.18%
Software & Tech Services	7.04%
Diversified Financial Services	3.21%
Renewable Energy	1.70%
Commercial Services	1.55%
Industrial Products	1.45%
Auto Manufacturers	1.30%
Media	1.23%
Technology	1.18%
Electronics	1.08%
Machinery-Diversified	1.06%
Energy-Alternate Sources	1.01%

[7] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022

0% of the Fund's investee companies had exposure to fossil fuel related activities.

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 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[8]?

Yes:

In fossil gas

In nuclear energy

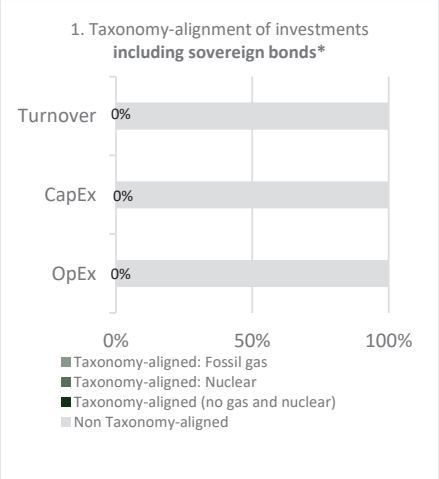
✖ **No**

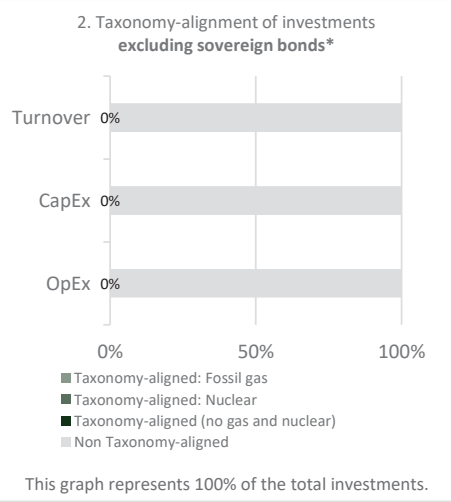
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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 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*

[8] 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

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.

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 under 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 12.1% of the Fund's investments were classified as #2 Other over the reference period[9]. 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 prospective investee company, prior to purchase, for the company's current or estimated future revenue alignment with the three promoted characteristics described above. Every prospective investment is also assessed against the Fund's exclusion criteria.

[9] 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 June, 30 September and 31 December).

Every existing holding is assessed on the same basis and its alignment is monitored on an on-going basis.

These metrics for every investee company are then entered into a spreadsheet and a weighted average alignment for the entire Fund is calculated and recorded each and every month. This enables a quarterly and entire reference period average to be calculated. An internal review is undertaken monthly to ensure every investee company has been evaluated for its alignment and is included in the overall Fund calculation.

This internal review also ensures that a minimum threshold of at least 50% of the Fund's assets are always invested in companies aligned with the promoted characteristics. The internal review also ensures compliance with the Fund's exclusion parameters.

The following are examples of stocks held over the review period in part due to their very strong alignment with the Fund's promoted characteristics:

KLA Corporation

KLA Corporation's revenue is aligned with promoting access to technology and communications infrastructure given the company's semiconductor production equipment and services help customers produce the semiconductors that are the foundation of technological infrastructure. KLA's advanced process control solutions enable innovation in the electronics industry and help power eco-friendly technologies that are crucial to achieving a low-carbon economy.

Hubspot

HubSpot's mission is to be the leading customer relationship management (CRM) platform for scaling enterprises and is therefore aligned with promoting increasing business efficiency and productivity. It is a product focussing on small and medium sized businesses which allows them access to best-in-class business to business marketing automation and CRM tools and supports new business formation.

The platform includes marketing, sales, service, operations and website management products that start free and scale to meet customers' needs at any stage of growth. This is an important aspect of increasing small business productivity and efficiency, which otherwise may struggle to compete with large incumbers with greater sales and distribution resources.

Advanced Micro Devices (AMD)

AMD is the global leader in high-performance computing, which provides the brains behind the crucial technological and communications infrastructure that has transformed modern life and has the potential to be part of the solution to global challenges such as climate change. AMD is helping to develop a new generation of supercomputers which can cross the 'exascale' performance barrier for the first time by performing more than one quintillion (10^{18}) calculations per second, which will allow researchers to develop

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Global Technology Fund continued

models which can create breakthroughs in climate science, materials discovery and biomedical engineering.

COVID-19 vaccine development was accelerated using AMD's technology and the company's provision of free computing resources for universities and research institutions from April 2020 as part of their High Performance Compute (HPC) Fund.

For every investee company, a specific ESG assessment was conducted and documented to ensure compliance with all the Fund's pre-contractual commitments and any material controversies were flagged and reviewed. An overall assessment of the investee company's ESG practices and disclosure was provided. Stewardship activites emanating from this assessment were either documented or recommended. 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 and documented when voting against Management and why.

As an example, at the Smartsheet AGM, the Investment Manager voted against a management recommendation on a resolution on executive compensation. A review of this issue prompted further engagement with the company, firstly with Investor Relations and then secondly with the Chairman of the Board, on a wider range of ESG issues including employee remuneration and staff retention initiatives more generally.

The Investment Manager engaged with Activision Blizzard following allegations of gender discrimination over a period of months, with resulting lawsuits and threatened regulatory action. Further engagement with the company subsequently took place in September 2022 to discuss in specific detail the issues surrounding the lawsuits facing the company over previous months and to investigate any improvements in the company's ESG practices in their response to these issues. This was a satisfactory engagement in that the Investment Manager learnt of 60 new initiatives introduced by the company to improve its ESG practices.

Many of these initiatives are aimed at improving the diversity of the company's workforce, with specific targets including reaching a third of female or non-binary proportion of employees within 5 years. A Chief Diversity, Equality and Inclusion Officer has also been hired. The Investment Manager believes these steps represent a good foundation to support further improvement in the company's reputation and, moreover, believes there has been a fundamental improvement in how the executive management and company generally treat ESG issues. As a result, the Investment Manager has taken the view that ESG concerns are no longer a material impediment to owning the stock given the attractive investment case. The Fund therefore held a position in the company at the year end, but the Investment Manager will continue to monitor developments and progress on these issues.

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 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?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 96.7% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It made **sustainable investments with a social objective:** ___%	☒ with a social objective
	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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) 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.

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 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.

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 characteristics:

(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.

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 pre-commercial 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.

As of the date of this report, 0% of the Fund's investments failed the exclusion criteria.

Over the reference period a weighted average of 90.0% of the Fund assets were invested in investee companies with current revenues or R&D expenditures derived from products,

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Blue Chip Fund continued

services or activities aligned with the three promoted characteristics (which is calculated by taking an average of the quarters ended September and December 2022)[1].

Over the reference period, an average of 96.7% of the Fund's investments were classified as Sustainable Investments. An investee company is classified as a Sustainable Investment under Article 2(17) SFDR if its revenue, Operating Expenditure (OpEx) or Capital Expenditure (CapEx) exceeds the required threshold of alignment with the sustainable objective, provided that it also passed the Do No Significant Harm test referred to in the section below and followed good governance practices.

	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average[2]
Pillar 1 *improve clinical outcomes for patients through innovation*	n/a	n/a	64.2%	72.3%	68.2%
Pillar 2 *improve the affordability and accessibility of healthcare services*	n/a	n/a	12.9%	8.1%	10.5%
Pillar 3 *improve the efficiency of the delivery of healthcare services*	n/a	n/a	10.7%	11.9%	11.3%
Overall Alignment	n/a	n/a	**87.7%**	**92.3%**	**90.0%**
Sustainable Investments exceeding the threshold revenue alignment[3]	n/a	n/a	n/a	96.7%	96.7%

…and compared to previous periods?

The Fund was approved by the Central Bank of Ireland as an Article 8 SFDR fund on 26 August 2022 and therefore such measurements were not made prior to this date.

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?

[1] This figure 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 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.

[2] 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.

[3] The target for a minimum percentage of Sustainable Investments was only formally adopted on 30 November 2022 and therefore the Sustainable Investment alignment figure is the alignment as of 31 December 2022.

The Fund committed to a minimum proportion of 50% of its investments as Sustainable Investments on 30 November 2022. The Investment Manager considered a company eligible as a Sustainable Investment if the company was deemed to contribute to the themes highlighted below.

The objectives of the Sustainable Investments aligned with the themes:

(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.

During the reference period, companies held in the Fund were aligned to the three sustainability themes in a variety of ways, some examples of which are provided below.

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 pillar 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* theme.

Although on average the revenue purity of the healthcare companies held during the reference period was high, some sources of revenue were not considered to be aligned with the above Sustainable Investment themes, 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 sustainable themes outlined above was still eligible to be considered sustainable overall if the company also had business segments that were positively aligned to the sustainability themes. Also, certain larger cap investments in the Fund generated revenues from separate business areas, which aligned with separate Sustainable Investment themes.

A large cap pharmaceutical business generated roughly 81% of its revenues from innovative medicines in the cardiovascular, immunology, neuroscience and oncology areas. Novel drugs 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 improving the patients' clinical outcomes, aligning with the theme of *improving clinical outcomes for patients through innovation*. The company also generated c. 19% of its revenue from a subsidiary which manufactures generics and biosimilars. These are non-branded medicines that are sold at a lower price than their branded-equivalent, allowing for greater access to medicines, thus aligning with the sustainability theme of *improving the affordability and accessibility of healthcare services*.

A biopharmaceutical company generated 95% of its revenues from biopharmaceutical and academic research customers. These revenues are split across its business segments of Bioprocess Solutions (for production of biopharmaceuticals) and Lab Products and Services (bioanalytics consumables and services). The company's products and solutions enable research, development and manufacturing of drugs and therapies, therefore aligning with the sustainable theme

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Blue Chip Fund continued

of *improving clinical outcomes for patients through innovation*. The company also had a ~5% revenue exposure to the food and chemical industries which was not aligned with any of the Sustainable Investment themes.

The Fund's investment in a healthcare insurance business was an example of strong alignment to a single pillar. 97% of the company's revenue came from its healthcare insurance business which provides members access to the healthcare system at a limited cost, aligning with the Sustainable Investment theme of *improving the affordability and accessibility of healthcare services*. The remaining revenue is generated by healthcare services, pharmacy benefits, primary care organisation and home solutions, 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. These included, by way of example, controversies related to energy and climate, biodiversity and land use, toxic emissions, human rights, child labour, employee health and safety, and product quality and safety.

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.

An example of the due diligence performed for DNSH is monitoring portfolio holdings for controversies and engaging with investee companies for further information to understand the nature and impact of controversy allegations. As part of this monitoring process, an investee company appeared in a national news article alleging price fixing on the part of the company. The Investment Manager arranged a meeting with the Chairman and CEO to discuss the issue. The company chairman confirmed unequivocally that the company had not entered into any discussions with peers or suppliers relating to pricing. The chairman explained that company-wide prices are set annually at a budgeting meeting and the prices that the company sets are competitive and set at a level that is attractive in the open market in which its healthcare services compete. Following the meeting the Investment Manager remained satisfied that the company currently met its DNSH requirements.

In another example, the Investment Manager took an opposing view to ESG research provided by a third-party research provider. This research provider's 2021 ESG Research report noted a high-profile controversy for an investee company over

reports of cardiovascular side effects for the COVID-19 vaccine the company had developed. As part of the Investment Manager's ongoing monitoring, this controversy was still flagged as "severe" by the third-party research provider in 2022.

The Investment Manager's analysis at the time suggested these side effects in total were not materially more of a concern than the side effects associated with the mRNA vaccines from competitors, with the overall benefits of strong durable protection against COVID-19 infection significantly outweighing the rare (but serious) side effects. In addition, the easier distribution of the vaccine, and data that indicated more durable efficacy than the other approved vaccines, provided added benefits.

The Investment Manager therefore disagreed with the third party research provider's assessment regarding the controversy and the investee company's actions. The Investment Manager continued to believe that the company was a good actor. The current CEO places a focus on stakeholder engagement and societal value creation, and the company regularly publishes comprehensive sustainability reports, providing great transparency around sustainability and material ESG issues.

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 alignment of portfolio companies with

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Blue Chip Fund continued

these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

All Sustainable Investments have been assessed using third party providers for adherence to the UNGC principles and OECD guidelines. Any positions not aligned were not deemed Sustainable Investments for the reference period.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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.

When considering PAIs, the Healthcare industry is subject to a high level of regulatory oversight, whether a company is developing drugs or diagnostic products, or providing healthcare products and services, to ensure that products pass rigorous safety standards, and do not cause harm to patients or communities.

Furthermore, companies in the Healthcare sector have substantially lower energy and carbon intensities than market averages, so carbon emissions were on average much lower than most other industries. Scope 1 and 2 carbon footprint of portfolio companies in TCO2e/EVIC AUM measured only around 6% of the MSCI ACWI Index as a whole.

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. Scope 1 and Scope 2 emissions were considered. Where those emissions are considered likely to be material, the Investment Manager will engage with the company to solicit the data. This emissions data is used to collectively consider Principal Adverse Impacts – GHG Emissions, Carbon Footprint and GHG Intensity.

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. 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. In doing so, the Investment Manager considered 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.

For those companies that failed these tests, and where the company's emissions were deemed material, the position was flagged for potential engagement with the investee company.

An example of how CEO pay was assessed in the Fund was a case where a third party provider flagged potential excessive pay for the CEO. The Investment Manager arranged a meeting with the company to understand the circumstances behind the pay increase. CEO pay had been frozen for a number of years; the increase brought it to the level it would have been if it had increased in line with rest of the senior team who had received successive annual incremental raises. The pay rise awarded to the CEO was awarded as a one-off catch up payment. The absolute quantum of pay was deemed to be fair in comparison to peers and the Investment Manager noted that his performance has been exceptional, increasing the value of the company by a multiple of more than four times in two years and delivering sector leading margins and return on capital employed. In addition, the CEO was not part of the Employee Stock Ownership Plan (ESOP). A cash bonus incentive scheme had been established to allow participation on the basis of continued performance to a level similar to the ESOP, underpinned by a requirement for compound annual growth rate of above 20%. These matters were put to the vote at the company's AGM, and on the back of the information received through the engagement with the company, and assessment by the Investment Manager, the Fund supported the company on both resolutions.

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 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 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Blue Chip 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[4]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[5]
GHG Emissions (TCO2e)	Scope 1	392	100.0%	359	99.9%	9%
	Scope 2	657	100.0%	463	99.9%	42%
	Scope 1 & 2	1,049	100.0%	822	99.9%	28%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	5.75	97.4%	4.69	99.9%	22%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	25.48	100.0%	19.90	100.0%	28%
Female Board Representation (%)		33.0%	100.0%	33.1%	100.0%	0%

[4] 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 2022. Benchmark: MSCI AC World Daily Total Return Net Health Care Index. 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 €193.8m as of 31 December 2022. 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.

[5] 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 2022

Largest investments[6]	Sector	% Assets	Country
Johnson & Johnson	Medical-Drugs	6.73	United States
UnitedHealth Group Inc	Medical-HMO	6.13	United States
Eli Lilly	Medical-Drugs	6.03	United States
AbbVie	Medical-Drugs	5.99	United States
Novartis	Medical-Drugs	4.88	Switzerland
AstraZeneca	Medical-Drugs	4.65	United
Sanofi	Medical-Drugs	3.46	France
Boston Scientific	Medical Instruments	3.27	United States
Alcon	Medical Instruments	3.26	Switzerland
HCA Healthcare	Medical-Drugs	2.81	United States
Daiichi Sankyo	Medical-Drugs	2.77	Japan
Lonza Group	Medical-Drugs	2.60	Switzerland
Swedish Orphan Biovitrum	Medical-Biomedical/Gene	2.47	Sweden
BioMerieux	Medical-Biomedical/Gene	2.46	France
Seagen	Medical-Biomedical/Gene	2.45	United States

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

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 90.0% 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[7].

While the Fund does not have sustainable investing as its objective, the Fund invested 96.7% of its investments in Sustainable Investments with a social objective. Given that the Fund committed to a minimum proportion of 50% of its investments

[6] The top 15 largest holdings as at 31 December 2022.

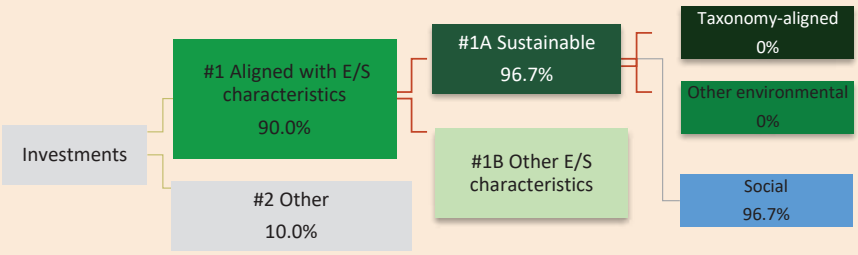
[7] This shows the percentage revenue or operational expenditure exposure of the Fund's assets, including cash, on a portfolio weighted basis, to the Fund's characteristics. The average is calculated as a simple average of the Fund's percentage exposure as at 30 September and 31 December. In calculating 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 Blue Chip Fund continued

as Sustainable Investments on 30 November 2022, this is the figure as of 31 December 2022.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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[8]
Medical-Drugs	46.95
Medical-Biomedical/Gene	17.06
Medical-HMO	8.58
Medical Instruments	6.53
Medical-Hospitals	5.28
Pharmacy Services	2.40
Diagnostic Equipment	2.22
Health Care	2.10
Electronic Measuring Instruments	2.03
Containers-Paper/Plastic	2.02
Pharmaceuticals	1.52

0% of the Fund's investee companies had exposure to fossil fuel related activities.

[8] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

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 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[9]?

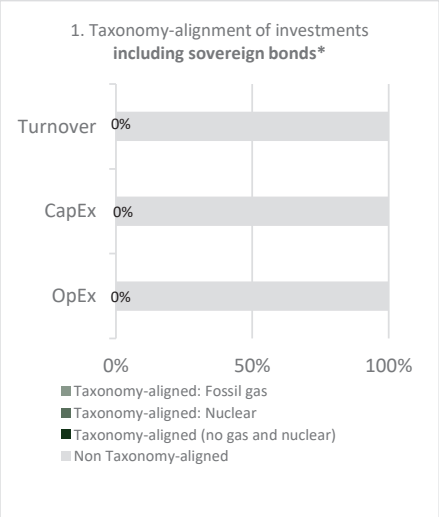
Yes:

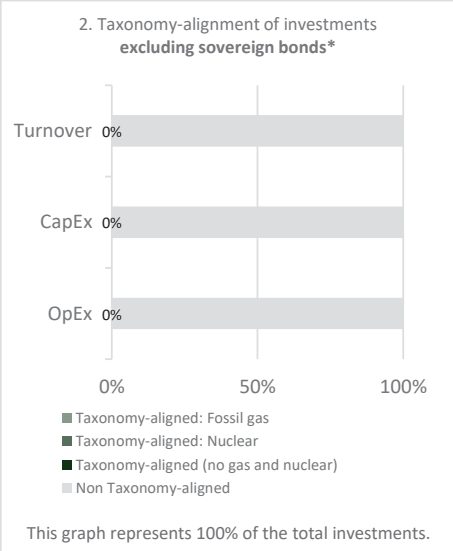
In fossil gas

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*

[9] 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

Healthcare Blue Chip Fund continued

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.

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 under 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 96.7% 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 30 November 2022, this is the figure as of 31 December 2022.

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 10.0% of the Fund's investments were not aligned with the promoted characteristics of the Fund. [10]

The Fund held cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these holdings.

[10] The figure 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.

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 its 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 on going 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 on-going.

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?***

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 Blue Chip Fund continued

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 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?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 99.1% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments 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?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund invested in companies within the healthcare investment universe that contributed to:

(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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Opportunities Fund continued

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 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.

How did the sustainability indicators perform?

The Investment Manager monitored the Fund's attainment of its characteristics by evaluating the portfolio's weighted exposure to each of the three characteristics:

(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.

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 pre-commercial 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 91.6% 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 2022)[1].

[1] The figure 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.

Over the reference period, an average of 99.1% of the Fund's investments were classified as Sustainable Investments. An investee company is classified as a Sustainable Investment under Article 2(17) SFDR if its revenue, Operating Expenditure (OpEx) or Capital Expenditure (CapEx) exceeds the required threshold of alignment with the sustainable objective, provided it also passed the Do No Significant Harm test referred to in the section below and followed good governance practices.

	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average[2]
Pillar 1 *improve clinical outcomes for patients through innovation*	59.0%	61.1%	68.9%	72.1%	65.3%
Pillar 2 *improve the affordability and accessibility of healthcare services*	9.2%	9.0%	7.2%	7.3%	8.2%
Pillar 3 *improve the efficiency of the delivery of healthcare services*	21.3%	19.6%	15.5%	16.2%	18.1%
Overall Alignment	**89.5%**	**89.7%**	**91.6%**	**95.6%**	**91.6%**
Sustainable Investments exceeding the threshold revenue alignment[3]	n/a	n/a	n/a	99.1%	99.1%

As of the date of this report, 0% of the Fund's investments failed the exclusion criteria.

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.

…and compared to previous periods?

The Fund was approved by the Central Bank of Ireland as an Article 8 SFDR fund on 4 January 2022 and the Fund did not promote environmental or social characteristics or measure its performance against the sustainability indicators prior to this date.

The Fund's sustainability indicators are not 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 committed to a minimum proportion of 50% of its investments as Sustainable Investments on 30 November 2022. The Investment Manager

[2] 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.

[3] Please note that the Fund formalized its commitment to a minimum proportion of Sustainable Investments on 30 November 2022. The figures show the percentage of Sustainable Investments as at the relevant date.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Opportunities Fund continued

considered a company eligible to be a Sustainable Investment if the company was deemed to contribute to the themes highlighted below.

The objectives of the Sustainable Investments aligned with the themes:

(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.

During the reference period, companies held by the Fund were aligned to the three sustainability themes 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.

The Investment Manager noted that although on average the revenue purity of healthcare companies held during the reference period (i.e. the revenue associated with sustainable investment 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 sustainable themes 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 themes.

Specific examples of investee companies and their alignment to the three sustainable investment objectives outlined above are detailed below.

An investee company is a large cap pharmaceutical and biotechnology company generates 100% of its revenues from innovative medicines in cardiovascular; renal & metabolic; respiratory and immunology; rare disease; oncology, and other therapeutic areas.

Novel drugs require extensive investment in research and development to prove that the innovative step confers a therapeutic benefit. An extremely thorough and tightly controlled regulatory process ensures that safe and efficacious medicines result, that improve patients' clinical outcomes. The company therefore aligns with *improving clinical outcomes through innovation*.

Another investee company is a health insurance company focused mainly on lower income populations that have their healthcare paid for by state and federal government in the United States, a program called Medicaid. Managed Medicaid insurers such as the investee company manage the patient population much more effectively, thus *improving affordability and access to healthcare services*.

Finally, an investee company provides infusion therapy services to over 240,000 patients in the US. From a network of 4,500 clinicians, the investee company has improved the standards of care for patients with acute and chronic conditions managed through infusion therapies. The investee company provides its services to patients in their homes or at local ambulatory centres, easing access for patients that cannot travel or travel far, and thereby freeing up space within tertiary hospitals. This more efficient model of care delivery aligns 100% of revenues to *improving the efficiency 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 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, the Investment Manager retained discretion over whether an investee company had 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 companies to gain further information on the nature and impact of controversy allegations.

Over the reference period, an investee company appeared in a national news article alleging price fixing on the part of the company. The Investment Manager arranged a meeting with the Chairman and CEO to discuss the issue in which the Chairman confirmed unequivocally that the investee company had not entered into any discussions with peers or suppliers relating to pricing.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Opportunities Fund continued

The Chairman explained that company-wide prices are set annually at a budgeting meeting and the prices that the investee company sets are competitive and set at a level that is attractive in the open market in which its healthcare services compete. Following the meeting the Investment Manager was satisfied that the investee company did not breach the DNSH requirements.

In another example, the Investment Manager took an opposing view to ESG research provided by a third-party research provider.

The research provider's 2021 ESG Research report noted a high-profile and severe controversy for an investee company over reports of cardiovascular side effects for the COVID-19 vaccine the company had developed and the provider had maintained this controversy flag into 2022.

The Investment Manager's analysis at the time suggested the side effects referred to were not materially more of a concern than the side effects associated with the mRNA vaccines from competitors, with the overall benefits of strong durable protection against COVID-19 infection significantly outweighing the rare (but serious) side effects. In addition, the easier distribution of the vaccine, and data that indicated more durable efficacy than the other approved vaccines provided, added benefits.

The Investment Manager therefore disagreed with the third-party research provider's assessment regarding the controversy and the investee company's actions and continued to believe that the investee company was a good actor. The current Chief Executive Officer of the investee company places a focus on stakeholder engagement and societal value creation, and the investee company regularly publishes comprehensive sustainability reports, providing great transparency around sustainability and material ESG issues.

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 alignment of portfolio companies with these global norms, and where necessary, conducted further due diligence to determine compliance with these norms.

All Sustainable Investments have been assessed for adherence to the UNGC principles and OECD guidelines and any positions not aligned were not deemed as Sustainable Investments for the reference period.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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.

When considering PAIs, the Healthcare industry is subject to a high level of regulatory oversight, whether a company is developing drugs or diagnostic products, or providing healthcare products and services, to ensure that products pass rigorous safety standards, and do not cause harm to patients or communities.

Furthermore, companies in the Healthcare sector have substantially lower energy and carbon intensities than market averages, so carbon emissions are on average much lower

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Opportunities Fund continued

than most other industries. To illustrate this, the Scope 1 and 2 carbon emissions footprint of the Fund in TCO2e/EVIC AUM measured roughly around 5% of the MSCI ACWI Index as a whole as at 31 December 2022[4].

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 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.

For those companies that failed these tests, and where the company's emissions were deemed material, the position was flagged for potential engagement with the investee company.

An example of one such engagement was with an investee company that, at time of engagement, did not have a carbon emissions policy or disclose its Scope 1 and 2 emissions. However, when the Investment Manager engaged with the investee company, it confirmed that it was in the process of baselining its Scope 1 and 2 carbon emissions in 2022 year and that it planned on disclosing its environmental footprint and policy for 2023.

The investee company's initial ESG report was then published, and it stated that it was "committed to ensuring we responsibly manage our operations and continually seek opportunities to reduce the environmental impact of our operations" and committing to lowering its transportation impact over time. The company will be monitored for adherence to its commitments.

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.

[4] 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.

An example of how CEO pay was assessed in the Fund was a case where a third-party provider flagged an investee company for a potentially excessive pay for the CEO. The Investment Manager arranged a meeting with the investee company to understand the circumstances behind the pay increase. The CEO's pay had been frozen for a number of years and the increase brought it to the level it would have been if it had increased in line with the rest of the senior management team who had received successive annual incremental raises. The investee company confirmed that the pay rise awarded to the CEO was a one-off catch up payment.

The Investment Manager deemed the absolute quantum of pay to be fair in comparison to peers and noted that his performance has been exceptional, increasing the value of the investee company by a multiple of more than four times in two years and delivering sector leading margins and return on capital employed.

In addition, the CEO was not part of the Employee Stock Ownership Plan (ESOP). A cash bonus incentive scheme had been established to allow participation on the basis of continued performance to a level similar to the ESOP, underpinned by a requirement for compound annual growth rate of above 20%. These matters were put to the vote at the company's AGM, and on the back of the information received through the engagement with the investee company, and assessment by the Investment Manager, the Fund supported the company on both resolutions.

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[5]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[6]
GHG Emissions (TCO2e)	Scope 1	2,384	96.4%	3,029	99.9%	-21%
	Scope 2	5,039	96.4%	3,913	99.9%	29%
	Scope 1 & 2	7,423	96.4%	6,942	99.9%	7%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	4.91	92.1%	4.69	99.9%	5%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	23.15	96.4%	19.90	100.0%	16%
Female Board Representation (%)		29.1%	96.4%	33.1%	100.0%	-13%

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 2022

Largest investments[7]	Sector	% Assets	Country
AstraZeneca	Medical-Drugs	5.42	United Kingdom
Zealand Pharma	Medical-Drugs	5.38	Denmark
Cytokinetics	Medical-Drugs	5.10	United States
Swedish Orphan Biovitrum	Medical-Biomedical/Gene	4.35	Sweden
Boston Scientific	Medical Instruments	4.09	United States
Max Healthcare Institute	Medical-Hospitals	3.84	India
Penumbra	Medical Products	3.52	United States
Revance Therapeutics	Drug Delivery Systems	3.45	United States
Acadia Healthcare	Medical-Hospitals	3.37	United States
United Therapeutics	Medical-Biomedical/Gene	3.33	United States
Molina Healthcare	Medical-HMO	3.30	United States
Option Care Health	Pharmacy Services	3.05	United States
Becton Dickinson and	Medical-Drugs	3.00	United States
Uniphar - En Dublin	Medical-Wholesale	2.95	Ireland
Astellas Pharma	Medical-Drugs	2.87	Japan

[5] 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 2022. Benchmark: MSCI AC World Daily Total Return Net Health Care Index. 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 €1576.6m as of 31 December 2022. 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. 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.

[6] 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).

[7] The top 15 largest holdings as at 31 December 2022.

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

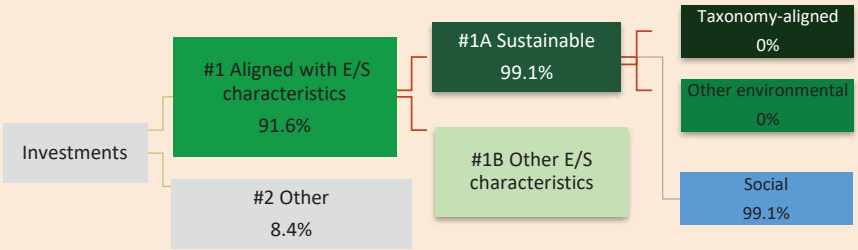
What was the asset allocation?

The Fund 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 91.6% 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[8].

While the Fund does not have sustainable investing as its objective, the Fund invested in 99.1% 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 30 November 2022, this is the figure as of 31 December 2022.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

[8] 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 Opportunities Fund continued

In which economic sectors were the investments made?

Economic Sectors	% Assets[9]
Medical-Drugs	28.37
Medical-Biomedical/Gene	21.88
Medical Products	9.80
Medical-Hospitals	8.87
Medical-HMO	5.46
Medical-Wholesale Drug Distribution	5.23
Medical Instruments	4.09
Drug Delivery Systems	3.45
Pharmacy Services	3.05
Commercial Services	2.86
Disposable Medical Product	2.36
Medical-Outpatient/Home Med	1.99
Diagnostic Equipment	1.65
Health Care	1.10
Diagnostic Kits	0.25

0% of the Fund's investee companies had exposure to fossil fuel related activities.

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 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[10]?

Yes:

In fossil gas

In nuclear energy

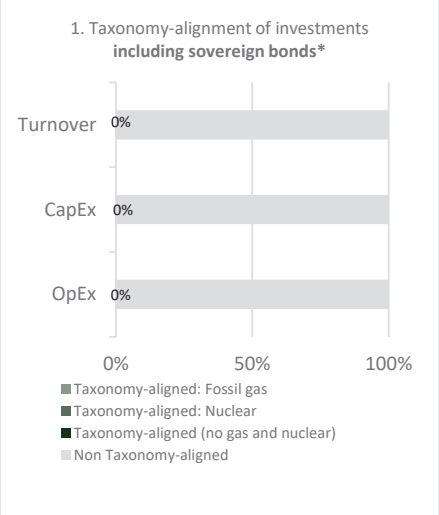
✖ **No**

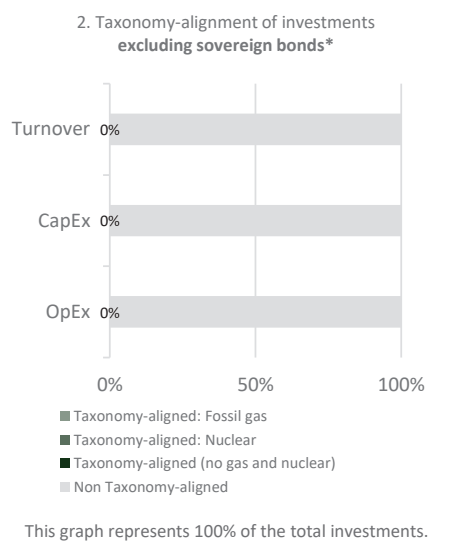
[9] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

[10] 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.

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.

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 under 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Healthcare Opportunities Fund continued

While the Fund does not have Sustainable Investments as its objective, the Fund invested 99.1% 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 30 November 2022, this is the figure as of 31 December 2022.

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 8.4% of investments were not aligned with the promoted characteristics of the fund. [11]

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 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.

[11] 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.

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.

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

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.

Product name: Polar Capital Funds plc – North American Fund (the "Fund")
Legal entity identifier: 549300E1985KCB4EO849

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments 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 framework (the "North American Fund Framework"), the Fund sought to invest in companies with positive aggregate scores against the four ESG categories below:

(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 relations 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.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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 fourth quarter, an average of 89%[1] of companies in the Fund scored 1 or higher on the North American Fund Framework. 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.

As a result, on average 83%[2] 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.

A summary of the Fund's headline scores of the four categories over the reference period is shown below[3]:

Category	30/09/2022	31/12/2022	Average[4]
Interaction with the Environment	1.1	1.1	**1.1**
Treatment of Stakeholders	0.9	1.0	**0.9**
Corporate Governance	1.0	1.0	**1.0**
Positive Contribution to Society	1.2	1.2	**1.2**
Fund North American Fund Framework Score	**4.1**	**4.2**	**4.2**

[1] 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 fourth quarter average is calculated as a simple average of the Fund's percentages as at 30 September 2022 and 31 December 2022.

[2] 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 30 September 2022 and 31 December 2022.

[3] These figures show the performance of investee companies of the Fund, on an equal weighted basis, against the North American Fund Framework.

[4] The figures in this column show a simple average of the 30 September 2022 and 31 December 2022 Fund investee company scores in aggregate across the four categories of the North American Fund Framework.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

North American Fund continued

…and compared to previous periods?

The Fund was approved by the Central Bank of Ireland as an Article 8 SFDR Fund 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.

The Fund's sustainability indicators are not 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.

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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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 2022

Largest investments	Sector	% Assets	Country
Microsoft	Software	5.19	United States
Visa	Diversified Financial Services	5.05	United States
Alphabet	Internet	4.62	United States
United Rentals	Commercial Services	4.06	United States
Constellation	Software	3.74	Canada
US Foods	Food	3.28	United States
T-Mobile US	Telecommunications	3.07	United States
Ovintiv	Oil & Gas	2.89	United States
Arch Capital	Property/Causalty Insurance	2.85	Bermuda
Cenovus Energy	Oil & Gas	2.70	Canada
Canadian Natural Resources	Oil & Gas	2.68	Canada
Centene	Medical-HMO	2.61	United States
Intercontinental Exchange	Diversified Financial Services	2.55	United States
Affiliated Managers	Diversified Financial Services	2.55	United States
Anthem	Healthcare-Services	2.53	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.

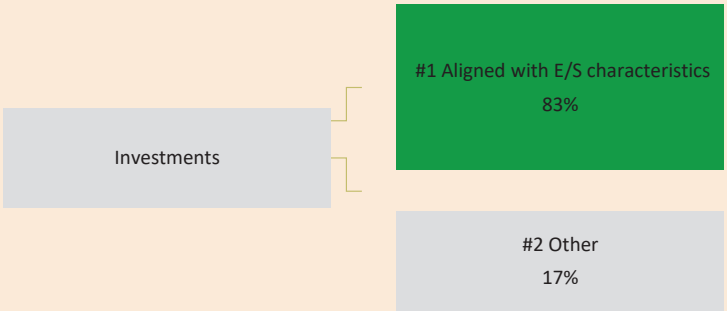
Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

North American 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.

During the reference period, an average 89%[5] of companies in the Fund exceeded the threshold of scoring 1 or higher on the North American Fund Framework. As a result, on average 83%[6] 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.

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.)



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[5] 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 fourth quarter average is calculated as a simple average of the Fund's percentages as at 30 September 2022 and 31 December 2022.

[6] 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 30 September 2022 and 31 December 2022.

In which economic sectors were the investments made?

Economic Sector	% Assets[7]
Software	13.67
Internet	10.28
Diversified Financial Services	10.15
Oil & Gas	8.27
Property/Casualty Insurance	5.05
Commercial Services	4.85
Healthcare-Services	4.63
Money Market Fund	3.83
Industrial Services	3.54
Food	3.28
Electrical Components & Equipment	3.12
Banks	3.07
Telecommunications	3.07
Medical-HMO	2.61
Software & Tech Services	2.34
Technology	2.14
Semiconductors	1.92
Retail	1.90
Reinsurance	1.87
Materials	1.58
Consumer Discretionary Services	1.50
Financial Services	1.28
Tech Hardware & Semiconductors	1.17
Media	1.10
Electronics	1.00
Medical Products	0.95

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.

In light of the above, the Fund held positions in the following companies during the reference period which were exposed to fossil fuels:

Canadian Natural Resources Limited and Cenovus

Canadian Natural Resources Ltd and Cenovus 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

[7] 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

North American Fund continued

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 the hydrocarbon production requirements come from businesses with sound environmental and social credentials. The Investment Manager believes Canadian Natural and Cenovus have relatively high standards with a good record of reducing emissions and a credible plan to continue to do so.

In 2021, Canadian Natural and Cenovus, 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 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.

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.

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. The Investment Manager expects the company to derive the majority of its profits from copper in 2-3 years' time. 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 operations since 2008. It has a goal to achieve net-zero GHG emissions by 2050 across all aspects of the business and activities and net zero on a Scope 2 GHG emissions basis by 2025.

From a social perspective, it has a strong safety record and a strong programme of supporting local communities.

The Fund sold out of its position in the company over the reference period.

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 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

North American Fund continued

The company also delivered on its 33% methane intensity reduction target in 2021, four years ahead of schedule. Furthermore, Ovintiv aligned fully with the World Bank Zero Routine Flaring Initiative as of September 1, 2021, nine years ahead of the World Bank's 2030 compliance target. From a social perspective, Ovintiv achieved its safest year ever in 2021, the eighth consecutive year of safety improvement.

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[8]?

Yes:

In fossil gas

In nuclear energy

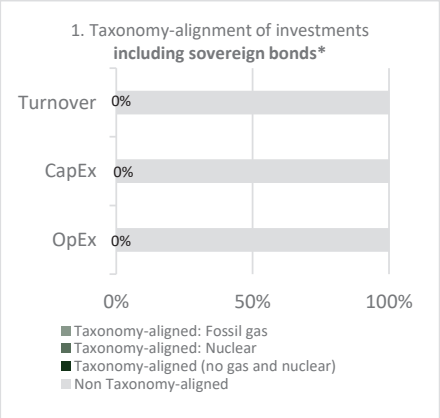
✖ **No**

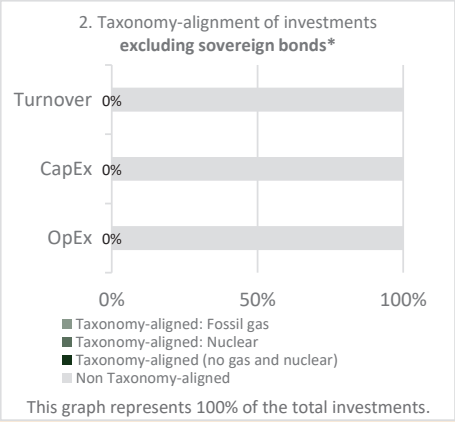
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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 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*

[8] 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.

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.

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 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 17% of the Fund's investments were identified as #2 Other in the below diagram.

The Fund held positions in equity securities that did not contribute towards the Fund's promoted characteristics, as well as cash held 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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

North American Fund continued

The following are examples of how investee companies were assessed by the Investment Manager against the environmental and social categories of the North American Framework:

First Republic – Under the environmental category, the company was judged to have relatively limited direct and indirect exposure to, or involvement with, environmental issues. The team noted that it has good policies on use of renewable energy and is already carbon neutral. The Investment Manager determined that there was limited risk to sustainable value creation and the company was given a score of 2.

Under the social category, the Investment Manager noted the high degree of focus on consumer satisfaction and that the company appears to have a strong culture and low staff turnover. The Investment Manager determined that there was limited risk to sustainable value creation and a good opportunity to create sustainable value from well-designed policies. The company was given a score of 3.

Amdocs – Under the environmental category, the Investment Manager noted that Amdocs is naturally a capital light software and services company and hence has limited interaction with the broader environment. The company has Science Based Targets initiative ('SBTi') targets in place on Scope 1 and Scope 2 GHG emissions, although the Investment Manager noted that these did not seem particularly ambitious. The company does have a comprehensive strategy overall to reduce the environmental impact of the company, and the team concluded that there are limited risks to value creation. The company was awarded a score of 2.

Under the social category, the Investment Manager noted a lot of involvement from the Company in communities and digital inclusion. The company also has good policies on the treatment of its suppliers. The Investment Manager noted that the labour intensity of some aspects of the company's operations could present some challenges, though these seem to be well managed. Overall, the Investment Manager believed there is limited risk to sustainable value creation and awarded the company a score of 1 on the social category.

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 and material engagement issues raised with management teams in the fourth quarter included detailed carbon pricing discussions during meetings with energy company, Cenovus.

The Investment Manager engaged Cenovus management in light of the signing into law of the Inflation Reduction Act in the US. Discussion revolved around the Biden Administration's efforts to offer tax incentives to encourage investment in carbon sequestration and other clean up initiatives and the impact this would have on the company's long term carbon reduction goals.

Another example of the Investment Manager's engagement in the quarter was with Service Corp, a funeral and death care services firm. The discussion here covered the company's recent appointment of a Head of Sustainability and the publishing of an

inaugural sustainability report. The company is currently engaging with third party ESG ratings providers to facilitate better disclosure of its emissions from its large vehicle fleet and its network of crematoriums as well as its progress in reducing emissions.

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?

- ***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

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

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?

●● ☐ **Yes**	●○ ☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and/or 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, 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 or social characteristics promoted by the Fund.

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 an improvement in the average overall EVA Sustainability Score from 7.5 to 7.8 from June 2022 to the end of the year (31 December)[1].

Four of the six categories saw improvements throughout the year with the Carbon Emissions score moving from 7.8 to 8.4, the Short Termism score moving from 9.3 to 9.5, the Company Efficiency score moving from 7.3 to 7.4 and the ESG Regulation score moving from 5.6 to 5.7.

The Thematic Trends score held level at 4.8 and only the Customer Trends score went backwards, marginally from 3.8 to 3.6. The decline in the Consumer Trends score was driven by the Fund exiting specific stocks such as Legal and General and TT Electronics with higher scores in this category than the Fund's average.

Focusing on the Carbon Emissions category, which attracts the largest weight in the EVA SS Framework, the percentage of investee companies signed up to a Net Zero carbon emissions commitment of some form, moved from 69% to 73% between June and December 2022. The percentage of investee companies with no commitment to introduce carbon emissions reduction targets dropped from 6% to 3% and those without targets but a commitment to set a target, dropped from 9% to 7% between June and December. Investee companies requiring focused engagement on the Carbon Emissions category reduced from 23% to 22% over the same period.

The Investment Manager focused on three other areas of engagement for investee companies during 2022 which were the independence of the remuneration committee and audit committee (falling within the Short Termism category), board gender diversity (also falling within the 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 3% to 2% during the review period, while the percentage of investee companies with less than 33% women on the board fell from 42% to 31% and investee companies without waste reduction targets fell from 38% to 37%.

[1] The Fund was approved by the Central Bank of Ireland as an Article 8 Fund under the SFDR effective 11 April 2022. June 2022 is taken as the end of the first quarter for which the Fund was categorised as an Article 8 SFDR Fund and the scores provided are for the portfolio weighted average scores of the Fund as at the given date.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

UK Value Opportunities Fund continued

	Quarterly EVA Sustainability Scores[2]			2022 EVA Sustainability Score Average[3]
	Jun-22	Sep-22	Dec-22	
Carbon Score	7.8	8.1	8.4	8.1
Short Termism Score	9.3	9.5	9.5	9.4
Company Efficiency Score	7.3	7.3	7.4	7.3
ESG Regulation Score	5.6	5.6	5.7	5.7
Customer Demand Score	3.8	3.8	3.6	3.8
Thematic Trends Score	4.8	4.8	4.8	4.8
Overall Score	**7.5**	**7.7**	**7.8**	**7.6**

The Fund held a position in Jadestone Energy, a UK oil and gas producer, over the reference period and prior to its reclassification as an Article 8 SFDR Fund. When the Fund was approved as an Article 8 SFDR Fund, Jadestone failed the EVA SS Framework exclusion criteria and the Fund notified the Central Bank of Ireland of this position, and of the Investment Manager's intention to exit it, during the reclassification process. Given the need to protect investor interests, the Fund began to sell the position down gradually, following its reclassification as an Article 8 SFDR Fund. However, Jadestone introduced a credible Net Zero carbon emissions plan in June 2022 and, as a result, no longer failed the EVA SS Framework exclusion criteria. The Fund has since retained its remaining position in Jadestone Energy. There were no other investments that failed the exclusion criteria for the reference period.

- ***…and compared to previous periods?***

  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.

  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?***

[2] 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.

[3] 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 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 Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union 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

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.

How did this financial product consider principal adverse impacts on sustainability factors[4]?

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.

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 69% to 73% between June and December 2022.

The percentage of investee companies with no commitment to introduce carbon emissions reduction targets dropped from 6% to 3% and investee companies without targets but with a commitment to set a target, dropped from 9% to 7% between June and December. Investee companies requiring focused engagement on the Carbon Emissions category reduced from 23% 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, Lancashire Holdings 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 is yet to recognise the impact of climate change on its cost base. Shell came off the exclusion list and into the Fund as a consequence of an increase in the percentage of gas within Shell's product mix and an improvement in interim 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 BP and Glencore.

(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 30 times with companies on their carbon targets and delivery. Seven of these were high priority engagements involving companies with no carbon targets. One

[4] Please note engagement examples may have begun before the formal adoption of consideration of principal adverse impacts of sustainability factors.

company, Serica, now has carbon reduction targets in part because of the Investment Manager's engagement on the topic. Much of the Investment Manager's engagement on ESG matters in 2021 came into fruition in 2022. The Investment Manager made 48 engagements on carbon emissions in 2021, of which 19 were high priority involving companies with no carbon emissions reduction targets. 19 of these engagements have subsequently seen improvements with 12 in the high priority group.

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 15 investee companies in 2022 on their water management policies, encouraging the adoption of formal water reduction targets, and the percentage of investee companies with water reduction targets increased from 55% in December 2021 to 63% in December 2022.

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 20 investee companies on female board diversity in 2022, of which 16 did not have at least 33% female board representation. Much of the Investment Manager's engagement in 2021 came into fruition in 2022, as the Investment Manager made 25 engagements on gender diversity in 2021, of which 23 were high priority involving companies less than 33% female representation on the board. 8 of these engagements have subsequently seen improvements with 7 in the high priority group, including Anglo American, Computacenter, Cranswick, Grafton, Gleeson, Morgan Sindall and Sigma Roc.

The percentage of investee companies with at least 33% of women on the board rose from 55% to 69% from December 2021 to December 2022.

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

UK Value Opportunities Fund continued

Indicator[5]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[6]
GHG Emissions (TCO2e)	Scope 1	77,097	95.4%	85,088	92.7%	-9%
	Scope 2	17,830	95.4%	20,212	92.7%	-12%
	Scope 1 & 2	94,927	95.4%	105,299	92.7%	-10%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	87.54	95.4%	103.96	92.7%	-16%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	104.96	95.4%	129.69	93.5%	-19%
Female Board Representation (%)		37.2%	94.6%	41.2%	93.2%	-10%

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 2022

Largest investments	Sector	% Assets	Country
GSK	Health Care	2.71	United States
Morgan Sindall	Industrial	2.54	United Kingdom
Premier Foods	Consumer, Non-cyclical	2.53	United Kingdom
Next	Retail & Wholesale - Discretionary	2.44	United Kingdom
Breedon	Industrial	2.21	United Kingdom
Gamma Communications	Telecommunications	2.20	United Kingdom
Cranswick	Consumer, Non-cyclical	2.10	United Kingdom
Renew	Industrial	2.07	United Kingdom
3i	Financial	2.06	United Kingdom
Anglo American	Basic Materials	2.05	South Africa
JD Sports Fashion	Retail & Wholesale - Discretionary	2.00	United Kingdom
SigmaRoc	Basic Materials	1.99	United Kingdom
Beazley	Insurance	1.98	United Kingdom
Grafton	Consumer, Cyclical	1.93	United Kingdom
Marks & Spencer	Consumer, Non-cyclical	1.92	United Kingdom

[5] 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 2022. Benchmark: FTSE All-Share Total Return Index. 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 €1139.1 m as of 31 December 2022. 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.

[6] The figures shown demonstrate the difference in performance of the Fund and benchmark on each metric based on 100% data coverage (whether achieved or estimated).

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.

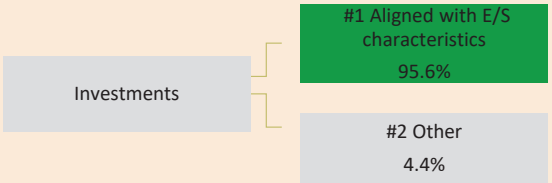
The Fund invested primarily in a diversified portfolio of UK listed companies. The Investment Manager used the EVA SS Framework to assess the environmental and/or social characteristics of each investee company.

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 95.6% of investments of the Fund were used to meet the environmental or social characteristics promoted by the Fund.[7]

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[7]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. 30 June, 30 September and 31 December).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

UK Value Opportunities Fund continued

In which economic sectors were the investments made?

Economic Sectors	% Assets[8]
Consumer, Non-cyclical	16.19
Consumer, Cyclical	13.28
Industrial	12.63
Financial	11.97
Basic Materials	9.11
Retail & Wholesale – Discretionary	4.44
Communications	3.56
Consumer Discretionary Products	3.50
Healthcare	2.71
Energy	2.48
Industrial Products	2.36
Oil & Gas	2.33
Telecommunications	2.20
Insurance	1.98
Banking	1.82
Technology	1.80
Materials	1.68
Financial Services	1.18

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.

Jadestone: Jadestone has targeted Net Zero Scope 1 and Scope 2 carbon emissions by 2040 and has introduced interim and long term carbon emissions reduction targets. While the percentage of its revenue derived from natural gas is not yet over 50%, there is a medium term ambition to be majority gas and the company plans to provide more details on this plan in 2023. If the Investment Manager decides this plan is not sufficiently near term, then the holding will be exited.

Serica: Serica is an investee company with the majority of its revenues derived from natural gas and with carbon reduction plans in place. The Investment Manager will

[8] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022.

continue to engage with the investee company on establishing its Net Zero carbon emissions plan in the coming months.

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.

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[9]?

Yes:

In fossil gas

In nuclear energy

✖ **No**

[9] 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

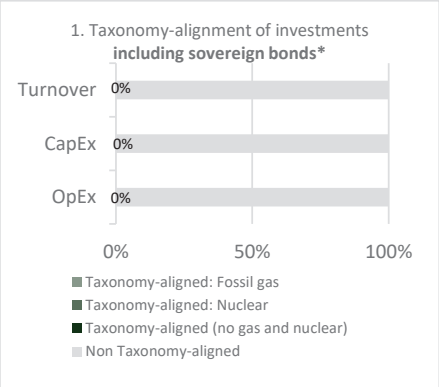
UK Value Opportunities Fund continued

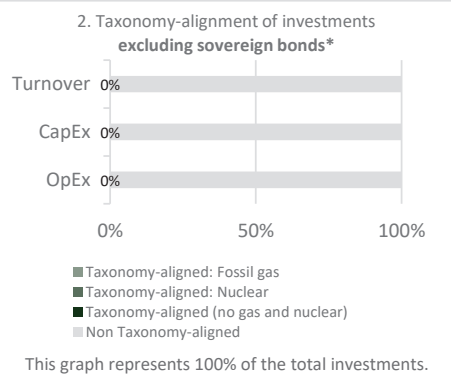
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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 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.

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 under 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?

11

The Fund held an average of 4.4% of investments identified as #2 Other over the reference period [10]. 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, Short Termism, Efficiency, 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 efficiency factor. The possibility of climate related taxes, bans or quotas are assessed with the ESG Regulation factor. Environmental considerations are included within the Investment Managers assessment of changes in Consumer Demand. The opportunities emerging from the transition economy are captured within the Thematic Trends category.

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 impacted: (i) stock selection; (ii) position sizing; and (iii) engagement, with examples provided below:

(i) **Stock Selection**: Lancashire was exited as a result of failed engagement on the Investment Manager's Carbon Emissions category. In short, the investee company is yet to recognise the impact of climate change on its cost base. Additionally, several shares have not been bought despite appearing on our watchlist, including: BP, Glencore and DCC, on the basis of their Carbon Emissions score; Plus 500 and Playtech were not purchased on the basis of their Short-Termism score; and Imperial Tobacco was not purchased on the basis of its Thematic Trends score.

(ii) **Stock weightings**: No investee companies shifted division within the Fund over the review period on the basis of changes in EVA Sustainability Scores.

[10] 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 June, 30 September and 31 December).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

UK Value Opportunities Fund continued

(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, Short Termism, Company Efficiency, 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 renumeration and waste reduction. In 2022, the Investment Manager made 30 engagements on carbon, 20 on female representation, 31 on waste and 11 on other topics. The Investment Manager had notable success during the review period on the introduction of carbon emissions reduction targets at Serica and the collapse of the non-voting share class, which limited minority shareholders' ability to exercise effective stewardship, at Schroders.

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. During the reference period, the Investment Manager had 19 cases of improved carbon targets following engagement, 8 cases of improved female representation following engagement and 9 cases of the improvements in waste management following engagement.

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.

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 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.

Smart Energy Fund

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 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.

Sustainable investment objective

Did this financial product have a sustainable investment objective?

●● ☒ Yes	●○ ☐ No
☒ It made **sustainable investments with an environmental objective: 99.6%**	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

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.

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 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 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[1]:

Investment Area	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average 2022[2]
Clean Power Generation	12.8%	19.4%	23.4%	18.0%	16.0%
Energy Conversion & Storage	30.9%	29.9%	28.8%	24.0%	29.9%
Energy Efficiency	36.5%	36.9%	34.2%	42.7%	39.1%
Energy Transmission & Distribution	19.5%	13.3%	12.8%	15.3%	14.6%
Cash	0.3%	0.5%	0.8%	0.0%	0.4%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

[1] 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.

[2] 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).

Fund current or future revenue alignment to the four themes over the reference period[3]:

Investment Area	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average 2022[4]
Clean Power Generation	100.0%	100.0%	100.0%	100.0%	100.0%
Energy Conversion & Storage	80.1%	71.8%	69.8%	74.6%	74.5%
Energy Efficiency	84.8%	88.4%	83.0%	81.8%	83.4%
Energy Transmission & Distribution	81.8%	80.2%	85.7%	77.0%	80.2%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%
Total	84.5%	84.2%	82.8%	82.6%	82.6%

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, or 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 99.6%[5] 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.

...and compared to previous periods?

Investment Area	Portfolio Average Weight 2021	Revenue Exposure[6] 2021	Portfolio Average Weight 2022	Average revenue exposure 2022
Clean Power Generation	6.6%	100.0%	16.0%	100.0%
Energy Conversion & Storage	35.7%	76.0%	29.9%	74.5%
Energy Efficiency	45.1%	79.1%	39.1%	83.4%
Energy Transmission & Distribution	12.2%	76.2%	14.6%	80.2%
Cash	0.4%	0.0%	0.4%	0.0%
Total	**100.0%**	**78.7%**	**100.0%**	**82.6%**

[3] 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.

[4] 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).

[5] 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).

[6] 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

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 very 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 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 whether a company was involved in a very severe controversy over the review period.

As an example, the Investment Manager excluded both Xinjiang Goldwind, a wind turbine manufacturer, and Jinko Solar, a solar panel manufacturer based in China, from the eligible universe during the third quarter of the review period. The Fund was not invested in either company.

Several investigative reports have alleged that the companies are in violation of human rights. The companies were 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.

Further in August 2022, the United Nations High Commissioner for Human Rights (OHCHR) published its "Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China" and the report concluded that there was evidence of forced labour practices. Therefore, after the Investment Manager reviewed the various reports and conducted its own assessment, the Investment Manager decided to exclude both companies from its investable universe as it viewed their responses 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 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 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.

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, conduct further due diligence to determine compliance with these norms.

All sustainable investments have been assessed for adherence to the UNGC principles and OECD guidelines and any positions not aligned were not deemed as sustainable investments for the reference period.

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.

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, 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.

Factors considered when assessing a company's impact on the environment included greenhouse gas ("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

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

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 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[7]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[8]
GHG Emissions (TCO2e)	Scope 1	2,439	100.0%	1,918	93.9%	27%
	Scope 2	2,797	100.0%	2,371	93.9%	18%
	Scope 1 & 2	5,236	100.0%	4,289	93.9%	22%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	44.56	98.4%	38.43	93.9%	16%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	187.42	100.0%	165.17	97.3%	13%
Female Board Representation (%)		29.9%	100.0%	29.2%	97.35%	2%

[7] 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 2022. Benchmark: MSCI ACWI Net TR Index. 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 €119.5 m as of 31 December 2022. 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. 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.

[8] 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 2022

Largest investments	Sector	% Assets	Country
Lattice Semiconductor	Technology	4.82	United States
SolarEdge Technologies	Energy	4.54	United States
Infineon Technologies	Technology	3.72	Germany
Marvell Technology	Technology	3.65	United States
Vertiv Holdings	Industrial	3.52	United States
Delta Electronics	Industrial	3.43	Taiwan
Hydro One	Utilities	3.32	Canada
Qorvo	Technology	3.20	United States
Renesas Electronics	Technology	3.02	Japan
MP Materials	Basic Materials	3.00	United States
Cognex	Industrial	2.98	United States
Keyence	Industrial	2.83	Japan
Linde	Basic Materials	2.62	United Kingdom
Sunrun	Energy	2.57	United States
Analog Devices	Technology	2.56	United States

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

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 99.6%[9] in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives.

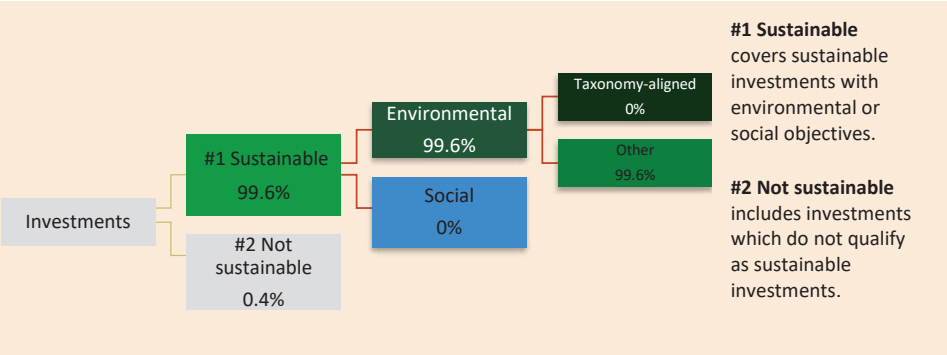
[9] This is the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

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.)

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 Sector	% Assets[10]
Semiconductors	15.73
Renewable Energy	14.22
Technology	12.72
Industrial	12.09
Industrial Products	8.86
Basic Materials	8.81
Utilities	6.19
Machinery-Diversified	5.82
Energy-Alternate Sources	4.54
Materials	3.45
Tech Hardware & Semiconductors	2.36
Electronics	1.92
Consumer Discretionary Products	1.64
Auto Manufacturers	1.64

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.

[10] This shows the percentage of the Fund's assets within each economic sector as at 31 December 2022

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.

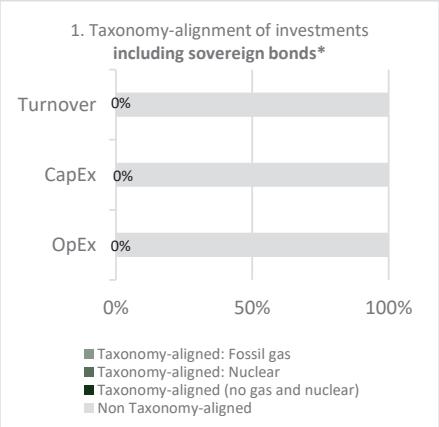
To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

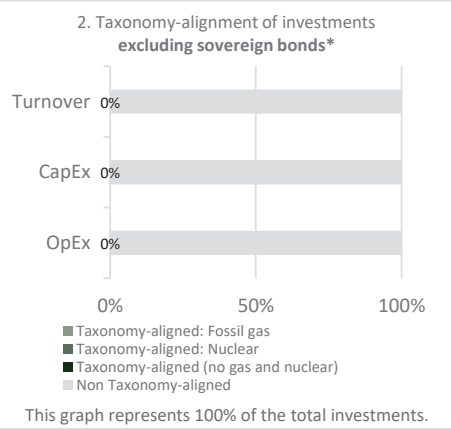
The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, was 0% over the reference period.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[11]?

- 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*

[11] 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

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.

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 99.6% 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 0.4% 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 to four investment clusters: (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 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.

Similarly, additional new companies that met the previously mentioned criteria were added to the eligible investment universe.

The Investment Manager did engage with an investee company where it felt that there was room for material sustainability improvement over the reference period. The company produces rare earth products and is building a fully integrated supply chain for high strength permanent magnets enabling carbon-reducing technologies like electric vehicles, wind turbines and other energy savings industrial applications.

Despite positively contributing to decarbonization through its technologies in the Investment Manager's view, it is essential for a company involved in the extraction of minerals to address the environmental and social impacts of its activities, such as the emissions associated with mining and processing, the risks arising from insufficient water and waste management, and the impacts from lack of worker safety protection and human rights.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

The company is a young company and listed in mid-2020, as a result of which its ESG disclosures are at an early stage and limited. During the second quarter of 2022, the Investment Manager had its first engagement with the company, to understand how the company managed its environmental risk, to urge the company to provide quantitative disclosures on GHG emissions, water usage, waste management and health and safety metrics specifically, and understand its plans to reduce GHG emissions as a first step. The company had also issued USD 600mn green convertible senior bonds in March 2021 and the Investment Manager sought to understand if it could share some of the ESG key performance indicators for those bonds.

Through this engagement, the Investment Manager understood that the company was taking the right initial steps, was aware of its key material risks and shared more detail of its sustainability practices, such as tailings management and water and energy use.

The Investment Manager encouraged the company to report on some of the initiatives and practices it has already in place as investors would appreciate the information on their ESG practices. The company was appreciative of the input and confirmed it would consider the areas to improve and was prepared to track and report on its ESG metrics.

Thereafter, the company released its first sustainability report and the Investment Manager was very encouraged to see that it had included some of its inputs and suggestions, recognizing that the company was still in the very early stage of its sustainability reporting journey.

Looking at the newly reported GHG emissions figures, the Investment Manager understood that third party data providers had overestimated these figures and, therefore, that performance in this area was not as bad as first thought.

The company also reported on health and safety metrics, such as lost time injury, recordable injury rate and mining violations and was showing favorable trends on these metrics. The Investment Manager will continue to monitor the company: more disclosures on other environmental reporting metrics, such as waste emissions, energy use and climate strategy will be the next steps.

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.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

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: 549300O06PO1N5TPN874

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It made **sustainable investments with an environmental objective: 99.7%**	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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 decarbonization and transformation of the global transport sector.

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 prospectus and website SFDR 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 prospectus and website SFDR 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[1]:

Investment Area	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average 2022[2]
Autonomous Driving	16.9%	21.9%	25.1%	29.3%	21.5%
EV Manufacturing	22.1%	26.1%	13.6%	11.3%	18.7%
EV Technologies	38.8%	34.4%	39.2%	28.3%	36.3%
Mobility Infrastructure	23.9%	17.0%	20.0%	31.1%	23.2%
Cash	-1.6%	0.6%	2.0%	0.1%	0.3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Fund current or future revenue alignment to the four themes over the reference period[3]:

Investment Area	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	Average 2022[4]
Autonomous Driving	28.0%	30.0%	31.7%	31.0%	30.5%
EV Manufacturing	67.8%	76.3%	48.3%	34.0%	55.8%
EV Technologies	44.5%	39.1%	49.3%	42.2%	43.4%
Mobility Infrastructure	58.8%	48.4%	49.9%	45.7%	52.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%
Total	51.0%	48.2%	43.9%	39.0%	45.6%

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

[1] 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.

[2] 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).

[3] 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.

[4] 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).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Mobility Fund continued

prescribed current or future revenue exposure threshold, or 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 99.7%[5] 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[6]	Portfolio Average Weight 2022	Average revenue exposure 2022
Autonomous Driving	14.1%	31.9%	21.5%	30.5%
EV Manufacturing	20.5%	52.4%	18.7%	55.8%
EV Technologies	40.7%	41.8%	36.3%	43.4%
Mobility Infrastructure	24.2%	57.1%	23.2%	52.0%
Cash	0.5%	0.0%	0.3%	0.0%
Total	100.0%	46.1%	100.0%	45.6%

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 very 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 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,

[5] 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).

[6] 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.

the Investment Manager retained discretion over the assessment of whether a company was involved in a very severe controversy over the review period.

As an example, the Investment Manager excluded the company Lithium Americas from the eligible universe in Q4 2022 due to potential UNGC violations regarding its impact on the local community (human rights and community) from its proposed Thacker Pass lithium mine in Nevada. There is an ongoing lawsuit filed by environmental groups against the proposed project due to concerns over animal habitats and environmental impact, and alleged significant deficiencies in the environmental review for the proposed mine. Also, there was opposition from indigenous communities over potential damage to historical sites. The Investment Manager decided to move the company out of the eligible universe after assessing the company's response as inadequate. The company is currently undergoing further environmental and stakeholders' studies and the Investment Manager will continue to monitor the situation.

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 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.

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, conduct further due diligence to determine compliance with these norms.

All sustainable investments have been assessed for adherence to the UNGC principles and OECD guidelines and any positions not aligned were not deemed as sustainable investments for the reference period.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Mobility 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.

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.

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[7]		Fund	Fund Coverage	Benchmark	Benchmark Coverage	Relative %[8]
GHG Emissions (TCO2e)	Scope 1	230	100.0%	153	89.8%	50%
	Scope 2	279	100.0%	254	89.8%	10%
	Scope 1 & 2	509	100.0%	408	89.8%	25%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	53.86	97.7%	45.09	89.8%	19%
GHG Intensity (TCO2e / Revenue)	Scope 1 & 2	235.43	100.0%	173.63	95.6%	36%
Female Board Representation (%)		30.0%	100.0%	28.1%	95.5%	7%

[7] 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 2022. Benchmark: MSCI ACWI Net TR Index. 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 €9.7 m as of 31 December 2022. The Fund and the 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 that 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.

[8] The figures shown demonstrate the difference in performance of the Fund and 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

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 2022

Largest investments	Sector	% Assets	Country
Visteon	Consumer Discretionary Products	5.67	United States
Aptiv	Auto Parts & Equipment	5.66	Jersey
u-blox	Tech Hardware &	5.40	Switzerland
NXP Semiconductors	Tech Hardware & Semiconductors	5.03	People's Republic of China
Analog Devices	Technology	4.74	United States
MP Materials	Basic Materials	4.45	United States
Infineon Technologies	Technology	4.09	Germany
Uber	Internet	4.05	United States
Trimble	Industrial Products	3.90	United States
Air Products and Chemicals	Materials	3.86	United States
Delta Electronics	Industrial	3.68	Taiwan
Renesas Electronics	Technology	3.63	Japan
Schneider Electric	Industrial	3.50	France
Alstom	Industrial	3.29	France
SolarEdge	Energy-Alternate Sources	3.28	United States

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

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.

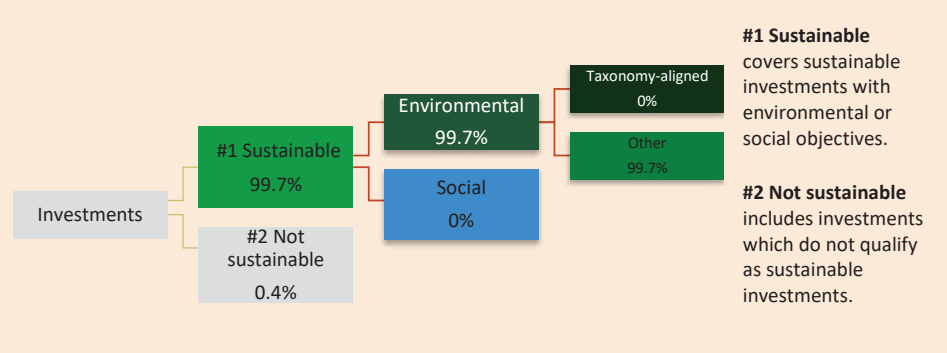
During the reference period, the Fund averaged 99.7%[9] in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives.

[9] 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).

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.

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.)



In which economic sectors were the investments made?

Economic Sector	% Assets[10]
Industrial	17.64
Technology	16.58
Tech Hardware & Semiconductors	12.83
Consumer Discretionary Products	11.53
Basic Materials	11.29
Auto Parts & Equipment	5.66
Internet	4.05
Materials	4.04
Industrial Products	3.90
Renewable Energy	3.44
Energy-Alternate Sources	3.28
Electronics	2.03
Software & Tech Services	1.90
Auto Manufacturers	1.66

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.

[10] 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

Smart Mobility Fund continued

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.

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.

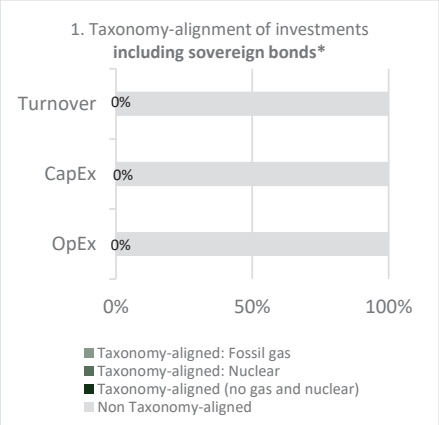
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

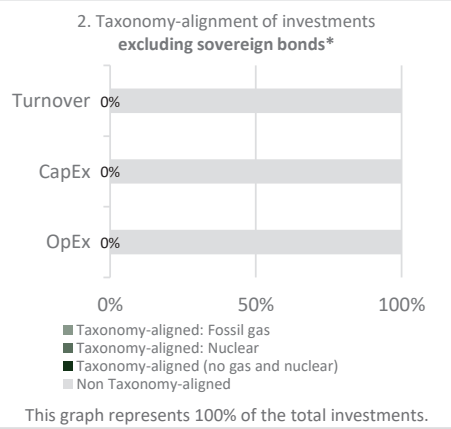
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[11]?

- ☐ 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*

[11] 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.

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 and during this reference period the Fund was 0% aligned with the EU Taxonomy.

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 99.7% 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 0.3% over the review period and consisted of cash held for liquidity purposes. There are no minimum environmental or social safeguards applicable to these investments.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Mobility Fund continued

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 to 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.

Similarly, additional new companies that met the previously mentioned criteria were added to the eligible investment universe.

The Investment Manager did engage with an investee company where it felt that there was room for material sustainability improvement over the reference period. The company produces rare earth products and is building a fully integrated supply chain for high strength permanent magnets enabling carbon-reducing technologies like electric vehicles, wind turbines and other energy savings industrial applications.

Despite positively contributing to decarbonization through its technologies in the Investment Manager's view, it is essential for a company involved in the extraction of minerals to address the environmental and social impacts of its activities, such as the emissions associated with mining and processing, the risks arising from insufficient water and waste management, and the impacts from lack of worker safety protection and human rights.

The company is a young company and listed in mid-2020, as a result of which ESG disclosures are at an early stage and limited. During the second quarter of 2022, the Investment Manager had its first engagement with the company, to understand how the company managed its environmental risk, to urge the company to provide quantitative disclosures on GHG emissions, water usage, waste management and health and safety metrics specifically, and understand its plans to reduce GHG emissions as a first step. The company had also issued USD 600mn green convertible senior bonds in March 2021 and the Investment Manager sought to understand if it could share some of the ESG key performance indicators for those bonds.

Through this engagement, the Investment Manager understood that the company was taking the right initial steps, was aware of its key material risks and shared more detail of its sustainability practices, such as tailings management and water and energy use.

The Investment Manager encouraged the company to report on some of the initiatives and practices it has already in place as investors would appreciate the information on their ESG practices. The company was appreciative of the input and confirmed it would consider the areas to improve and was prepared to track and report on its ESG metrics.

Thereafter, the company released its first sustainability report and the Investment Manager was very encouraged to see that it had included some of its inputs and suggestions, recognizing that the company was still in the very early stage of its sustainability reporting journey.

Looking at the newly reported GHG emissions figures, the Investment Manager understood that third party data providers had overestimated these figures and, therefore, that performance in this area was not as bad as first thought.

The company also reported on health and safety metrics, such as lost time injury, recordable injury rate and mining violations and was showing favorable trends on these metrics. The Investment Manager will continue to monitor the company: more disclosures on other environmental reporting metrics, such as waste emissions, energy use and climate strategy will be the next steps.

How did this financial product perform compared to the reference sustainable benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

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.

Management and Administration

Directors (all non-executive):

David Astor (GB)*

Robert Bovet (MT)* (Chairman) (Resigned 31 December 2022)

James Cayzer-Colvin (GB) (Resigned 11 October 2022)

David Hammond (IE)*

Charles Scott (GB)*

Karen Nolan (IE)**

* Directors independent of the Investment Manager

** Appointed Chairperson on 21 February 2023

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Ireland

Independent Auditor:

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Chartered Accountants & Statutory Audit Firm
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EU Facilities Agent:

Zeidler Legal Process Outsourcing Limited

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Company Registration Number:

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