



USD I Acc | ISIN: IE0004K9OSM2

**NAV per Share**

USD Class I Acc US\$9.71

**Fund Details**

Fund Size	US\$151.3 m
Base Currency	USD
Denominations	USD/GBP/EUR/SEK/CHF
Fund Structure	UCITS
Domicile	Ireland
Listing	Euronext Dublin
Launch Date	30 September 2021
Investment Manager	Polar Capital (Switzerland) AG
SFDR Classification	Article 9

**Fund Managers**


**Thimo Lang**  
 Senior Portfolio Manager  
 Thimo has managed the fund since launch, he joined Polar Capital in 2021 and has 23 years of industry experience.

**Fund Profile**
**Investment Objective**

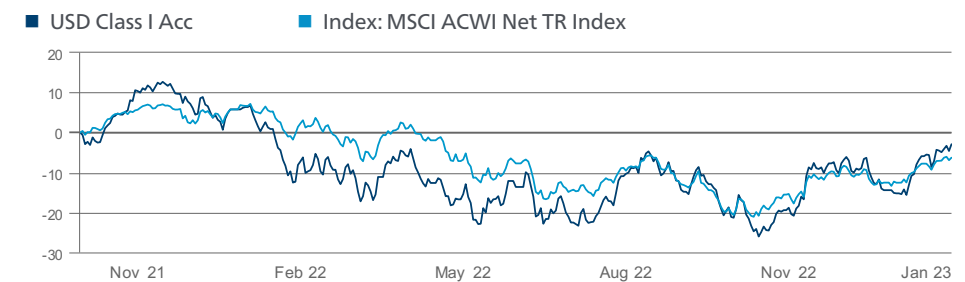
The Fund's investment objective is to provide long term capital growth. The Fund seeks to achieve its objective by investing in a portfolio of companies worldwide that provide technological solutions and services targeting the decarbonisation of the global energy sector.

**Key Facts**

- Experienced, highly specialised thematic investment team
- Access to a multi-decade investment theme supported by multiple structural tailwinds
- Globally diversified portfolio positioned to benefit from the energy transition
- Sustainability at the heart of the investment thesis and outcomes

**Fund Ratings**


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

**Share Class Performance**
**Performance Since Launch (%)**


	Since Launch						
	1m	3m	YTD	1yr	3yrs	5yrs	Cum. Ann.
USD Class I Acc	14.50	20.47	14.50	5.66	-	-	-2.90 -2.18
Index	7.17	10.46	7.17	-7.99	-	-	-6.67 -5.03

**Discrete Annual Performance (%)**

12 months to	31.01.23	31.01.22	29.01.21	31.01.20	31.01.19
USD Class I Acc	5.66	-	-	-	-
Index	-7.99	-	-	-	-

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

Performance for the USD Class I Acc. The class launched on 30 September 2021. Performance data is shown in USD. Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Benchmark performance shown in USD. Source: Bloomberg.

If this is not your local currency, exchange rate fluctuations may cause performance to increase or decrease when converted into your local currency.

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

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## Portfolio Exposure

As at 31 January 2023

### Top 10 Positions (%)

SolarEdge Technologies	5.1
Lattice Semiconductor	4.8
Marvell Technology	4.4
MP Materials Corp	3.4
ON Semiconductor	3.3
Infineon Technologies	3.2
Keyence	3.2
Sunrun	3.1
Renesas Electronics Corp	2.9
Delta Electronics	2.8

**Total** 36.4

**Total Number of Positions** 55

### Market Capitalisation Exposure (%)

Large Cap (>US\$10 bn)	64.0
Mid Cap (US\$1 bn - 10 bn)	34.3
Small Cap (<US\$1 bn)	1.0
Cash	0.7

### Currency Breakdown AUM (%)

USD	52.4
EUR	16.9
JPY	11.2
TWD	5.1
CAD	4.3
CHF	2.5
HKD	1.9
KRW	1.6
AUD	1.4
DKK	1.1
CNH	1.0
GBP	0.4
NOK	0.2
CNY	-0.1
Other	0.0

### Sector Exposure (%)\*

Energy Efficiency	43.6
Energy Conversion & Storage	26.6
Clean Power Generation	18.8
Energy Transmission & Distribution	10.4
Cash	0.7

### Geographic Exposure (%)

US & Canada	48.1
Europe	21.5
Asia Pac (ex-Japan)	13.4
Japan	11.2
Middle East & Africa	5.1
Cash	0.7

\*Source: Polar Capital Smart Team

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

## Share Class Information

Share Class	Bloomberg	ISIN	SEDOL	Minimum Investment	OCF <sup>†</sup>	Ann. Fee	Perf. Fee <sup>††</sup>
CHF I Acc	PCSMEIC ID	IE000BXJ7TH8	BPFOPP9	-	0.93%	0.80%	N/A
EUR I Acc	PCSMEIE ID	IE000OXQ5385	BPFOPM6	-	0.93%	0.80%	N/A
GBP I Acc	PCSMEIG ID	IE000GWLH680	BPF0PL5	-	0.93%	0.80%	N/A
SEK I Acc	PCSMEIS ID	IE000H2G7HN9	BPF0PN7	-	0.93%	0.80%	N/A
USD I Acc	PCSMEIU ID	IE0004K9OSM2	BPF0PK4	-	0.93%	0.80%	N/A
CHF R Acc	SMSSECA ID	IE00058MTCP7	BPF0PJ3	-	1.63%	1.50%	N/A
EUR R Acc	SMSERER ID	IE0006TUI4G7	BPF0PC6	-	1.63%	1.50%	N/A
GBP R Acc	PCSMESG ID	IE000CWXYRY4	BPF0PF9	-	1.63%	1.50%	N/A
SEK R Acc	SMSSESA ID	IE000YNVQMZ5	BPF0PH1	-	1.63%	1.50%	N/A
USD R Acc	PCSMESU ID	IE000EWWPFJ6	BPF0PD7	-	1.63%	1.50%	N/A

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

<sup>††</sup>Performance Fee This Fund does not have a performance fee.

## Fund Manager's Comments

### Market review

Stock markets had a good start to the year on signs of receding inflation data and China reopening being seen to add positively to global GDP growth for 2023. Easing labour cost inflation in western countries also helped the overall positive trend. On the flipside, weaker macro data increased concerns about the health of the economy and its subsequent impact on corporate earnings as the year progresses.

The news flow in the clean energy sector remained supportive. Even though higher interest rates are leading to demand pressure on the residential solar side, the utility scale businesses are expected to show a year of higher growth. In addition, market participants expect a European version of the US Inflation Reduction Act (IRA), supporting companies with strong European exposure.

### Portfolio and performance

The Fund gained 14.5% (USD I Acc Share Class) during the month, outperforming the broader market by 7.3%, as represented by the MSCI All Country World Net Total Return Index (in dollar terms).

The rare earth minerals producer **MP Materials** gained on expectations of being a beneficiary of China reopening, with the pricing of permanent magnets for electric motors gradually moving up again.

The low-power field programmable gate array designer **Lattice Semiconductor** profited from expectations of the company's product roadmap reflecting significant structural growth opportunities across multiple end markets. In addition, its exposure to artificial intelligence-related data processing was positively associated with the excitement around ChatGPT/OpenAI, which also benefitted **Marvell Technology**.

The semiconductor power management company **STMicroelectronics** gained on a surprisingly strong 2023 guidance, including a gross margin guidance of 47% (flat year-on-year) driven by the automotive sector. At the same time, the company also upped its sales target for high efficiency silicon carbide (SiC) power converters to reach more than \$1bn in 2023, up from \$700m in 2022.

The Taiwanese power management integrated circuits company **Silergy** profited from the China reopening trends. Other positive contributors during the month included **Qorvo**, **Infineon Technologies** and **SolarEdge Technologies**.

Given the strong overall performance, the list of companies with a negative performance contribution was limited. Slight negative performances were delivered by the Canadian renewable power producer **Boralex** and the solar inverter company **Enphase Energy** as well as the solar developers **SunPower** and **Renova** with weaker, but still positive contributions from **Nordic Semiconductor**, multinational chemical business **Linde**, solar PV energy developer **Solaria Energia y Medio Ambien** and **Stadler Rail**.

During the month, the Fund reduced its exposure to the renewable power producer subcluster through selling **Renova** and reducing **Boralex**.

Inside the solar energy subcluster, a new position was initiated with **Shoals Technologies Group**, a supplier of balance of systems electric components for solar projects, as the company should continue to profit from the projected strong growth in the US solar utility market in 2023. On the other hand, the positions in **SunPower** and **Enphase**

**Energy** were trimmed as these companies are considered to be vulnerable to a slowdown in the US solar residential segment.

Exposure to the lithium miner **Albemarle** was increased given its more attractive valuation. The company foresees the supply situation of lithium metals to remain tight for the foreseeable future, suggesting a favourable pricing environment to persist for longer than expected.

In the power conversion subsector, the position in **ON Semiconductor** was increased as comments indicated the company is on track on executing on its \$1bn sales target for its SiC business for 2023.

A position was reinitiated with **NIO** as the company is likely to gain more traction during the year through China reopening. The company is guiding for 2023 full-year delivery volume to double year-on-year from the 120,000 units in 2022.

Exposure to the energy transmission and distribution cluster was reduced through trimming positions in the hydrogen infrastructure equipment companies **Linde**, **Air Liquide** as well as **Air Products & Chemicals**. The Fund also reduced positions in **Nexans**, **Nordic Semiconductor** and **Aixtron**.

### Market outlook

The impact of rising interest rate hikes on the global economy becomes more noticeable, slowly trickling into labour markets. In addition, China's reopening policy is a very important step to further normalise economic conditions, including the re-establishment of properly functioning supply chains, which is likely to far outweigh any short-term negative impacts of a resurgence of commodity prices. Overall, we expect financial conditions to ease as 2023 progresses, as receding inflation rates will allow central banks to become increasingly more accommodative.

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

As in the past, the Fund 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, electronic vehicles, building efficiencies and the energy efficiency of Big Data.

### Thiemo Lang

1 February 2023

## Risks

- Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund.
- Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.
- The Fund may enter into a derivative contract. The Fund's use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as failure amongst market participants.
- The use of derivatives will result in the Fund being leveraged (where market exposure and the potential for loss exceeds the amount the Fund has invested) and in these market conditions the effect of leverage will magnify losses. The Fund makes extensive use of derivatives.
- If the currency of the share class is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.

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Further information about fund characteristics and any associated risks can be found in the Fund's Key Information Document ("KID") or the Key Investor Information Document ("KIID"), the Prospectus, the Articles of Association and the annual and semi-annual reports. Please refer to these documents before making any final investment decisions. Investment in the Fund concerns shares of the Fund and not in the underlying investments of the Fund. These documents are available free of charge at Polar Capital Funds PLC, Georges Court, 54-62 Townsend Street, Dublin 2, via email by contacting Investor-Relations@polarcapitalfunds.com or at [www.polarcapital.co.uk](http://www.polarcapital.co.uk). The KID/KIID is available in Danish, Dutch, English, French, German, Italian, Spanish and Swedish; the Prospectus is available in English. ESG and sustainability characteristics are further detailed on the fund's prospectus and websites ([https://www.polarcapital.co.uk/gb/professional/ESG-and-](https://www.polarcapital.co.uk/gb/professional/ESG-and-Sustainability/Responsible-Investing/)

[Sustainability/Responsible-Investing/](https://www.polarcapital.co.uk/gb/professional/Our-Funds/Smart-Energy/#/ESG) and <https://www.polarcapital.co.uk/gb/professional/Our-Funds/Smart-Energy/#/ESG>).

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

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## Administrator Details

Northern Trust International Fund Administration Services (Ireland) Ltd

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

recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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