



USD I Acc | ISIN: IE0004K9OSM2

**NAV per Share**

USD Class I Acc US\$9.78

**Fund Details**

Fund Size	US\$171.8 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**

**Thimeo Lang**

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


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

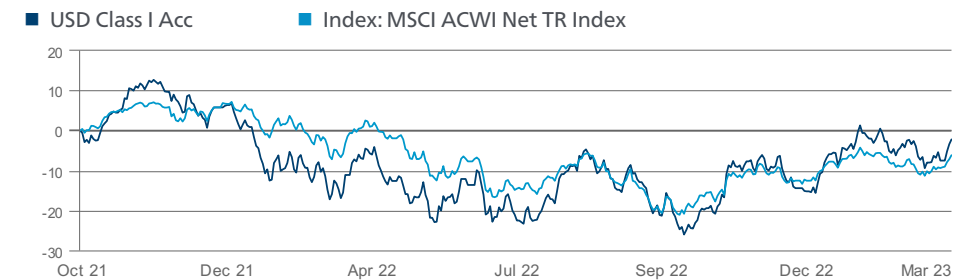
The Fund's investment objective is to provide long term capital growth. The Fund seeks to achieve its objective by investing in a portfolio of companies worldwide that provide technological solutions and services targeting the decarbonisation of the global energy sector.

**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 (%)**


							<b>Since Launch</b>	
	<b>1m</b>	<b>3m</b>	<b>YTD</b>	<b>1yr</b>	<b>3yrs</b>	<b>5yrs</b>	<b>Cum.</b>	<b>Ann.</b>
USD Class I Acc	2.19	15.33	15.33	3.71	-	-	-2.20	-1.47
Index	3.08	7.31	7.31	-7.44	-	-	-6.55	-4.42

**Discrete Annual Performance (%)**

<b>12 months to</b>	<b>31.03.23</b>	<b>31.03.22</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>29.03.19</b>
USD Class I Acc	3.71	-	-	-	-
Index	-7.44	-	-	-	-

**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 March 2023

### Top 10 Positions (%)

ON Semiconductor	6.4
Marvell Technology	6.2
Lattice Semiconductor	5.0
Renesas Electronics Corp	4.3
Monolithic Power Systems	4.1
STMicroelectronics NV	3.7
Vertiv Holdings	3.7
Shoals Technologies Group	3.4
Infineon Technologies	3.3
MP Materials Corp	3.2
<b>Total</b>	<b>43.3</b>

**Total Number of Positions** 51

### Market Capitalisation Exposure (%)

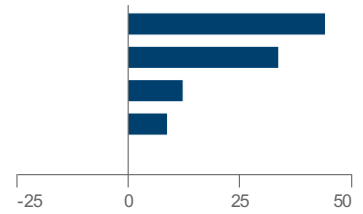
Large Cap (>US\$10 bn)	66.7
Mid Cap (US\$1 bn - 10 bn)	32.7
Small Cap (<US\$1 bn)	0.6
Cash	0.0

### Currency Breakdown AUM (%)

USD	53.0
EUR	16.4
JPY	14.1
TWD	4.3
CHF	2.7
CAD	2.7
KRW	1.8
HKD	1.6
AUD	1.2
CNH	1.1
NOK	0.8
GBP	0.6
CNY	-0.2
Other	0.0

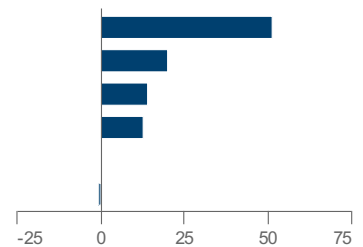
### Sector Exposure (%)\*

Energy Efficiency	44.3
Energy Conversion & Storage	34.0
Clean Power Generation	12.7
Energy Transmission & Distribution	9.0
Cash	0.0



### Geographic Exposure (%)

US & Canada	51.8
Europe	20.6
Japan	14.0
Asia Pac (ex-Japan)	13.0
Middle East & Africa	0.6
Cash	0.0



\*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	-	0.92%	0.80%	N/A
EUR I Acc	PCSMEIE ID	IE000OXQ5385	BPFOPM6	-	0.92%	0.80%	N/A
GBP I Acc	PCSMEIG ID	IE000GWLH680	BPFOPL5	-	0.92%	0.80%	N/A
SEK I Acc	PCSMEIS ID	IE000H2G7HN9	BPFOPN7	-	0.92%	0.80%	N/A
USD I Acc	PCSMEIU ID	IE0004K9OSM2	BPFOPK4	-	0.92%	0.80%	N/A
CHF R Acc	SMSSECA ID	IE00058MTCP7	BPFOPJ3	-	1.62%	1.50%	N/A
EUR R Acc	SMSERER ID	IE0006TUI4G7	BPFOPC6	-	1.62%	1.50%	N/A
GBP R Acc	PCSMESG ID	IE000CWXYRY4	BPFOPF9	-	1.62%	1.50%	N/A
SEK R Acc	SMSSESA ID	IE000YNVQMZ5	BPFOPH1	-	1.62%	1.50%	N/A
USD R Acc	PCSMESU ID	IE000EWWPFJ6	BPFOPD7	-	1.62%	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

The failure of the two regional US lenders, Silicon Valley Bank and Signature Bank, followed by the rescue of Credit Suisse through the peer UBS, caused ripple effects in financial markets across the world, reigniting recession worries through tightening credit conditions. Efforts by the Treasury and the Fed to guarantee deposits at the failed banks, and to introduce an emergency lending program to backstop other banks were reassuring the markets. Increased risk of recession was bringing down expectations for peak Fed funds rates rapidly, with investors betting on falling US rates as soon as June.

The news flow in the clean energy sector remained very supportive. In Europe, the European Parliament and the bloc's 27 member states reached a provisional agreement to raise the 2030 renewable target to an ambitious minimum of 42.5% of total energy consumption, up from the current 32% target, and almost doubling the 22% existing share (as recorded in 2021). Sector specific goals were defined as follows: for the transport industry, member states can choose between a reduction of greenhouse gas intensity by 14.5%, or to increase the share of renewable energy within final consumption to 29%. Included are also binding targets for a 1% share of renewable hydrogen or hydrogen-based synthetic fuels for the transport sector by 2030. Similarly, the use of renewable energy in the industry should be increased by 1.6% per year, 42% of hydrogen used in the industry should come from renewable power sources by 2030, and 60% by 2035. A European Hydrogen Bank to subsidise the higher costs of producing carbon-free gas will be set up. In buildings a target of at least a 49% renewable energy share by 2030 was set, setting mandatory annual increases at the national level. The overall goal of the legislation to slash greenhouse gas emissions by at least 55% by 2030 was maintained.

### Fund performance

The Fund gained 2.2% (USD I Acc Share Class) during the month, underperforming the broader market by 0.9%, represented by the MSCI All Country World Net Total Return Index (in dollar terms).

**Lattice Semiconductor**, a low-power field programmable gate array designer, continued with its good year-to-date performance, sustained by supporting news flow of new product ramps.

**First Solar**, a supplier of thin-film solar modules for large utility-scale deployments, profited from its more defensive business character, with the company announcing its latest module orders having been secured up to 2028.

**Infineon Technologies**, **STMicroelectronics** and **ON Semiconductor**, all large semiconductor power management suppliers, profited from the increased forecast of Infineon. The company now expects the current quarterly revenues to be at more than €4bn, up from an earlier forecast of €3.9bn, and full-year sales to be "meaningfully above" its previous estimate of about €15.5bn sales at mid-point.

The solar tracker company **Array Technologies** gave a reassuring outlook for 2023, with an implied mid-point top-line growth of 14%, EBITDA margins of 14%, with additional pending benefits from the Inflation Reduction Act (IRA) not included in the guidance yet.

Other positive contributors during the month include the Japanese power semiconductor and micro-controller company **Renesas**

**Electronics**, the industrial automation company **Keyence**, as well as the Chinese EV manufacturer **NIO**.

**MP Materials** and **Lynas**, two rare earth minerals producers, trended lower on falling prices of rare earth minerals for use in permanent magnets for electric motors.

**Vertiv Holdings**, a supplier of electric power equipment and thermal management to data centres, receded on worries about tightening credit conditions due to the banking crisis in the US. Meanwhile, the management continues to remain confident on solid demand perspectives for 2023 and 2024.

**Silergy**, a Chinese power management integrated circuits company, was lower on weaker-than-expected results and ongoing customer inventory corrections.

The solar power optimizer company **SolarEdge Technologies** and the solar developer **Sunrun** were down on worries about the US banking crisis's impact on tightening consumer lending conditions.

Other negative performance contributors included the lithium miner **Albemarle**, the hydrogen player **Plug Power**, as well as the French railway supplier **Alstom**.

### Fund activity

During the month, the Fund reduced its exposure to those solar companies which are expected to be the most vulnerable to potential consumer credit tightening in the US: the remaining position in **Sunrun** was sold, the power optimiser manufacturer **SolarEdge Technologies** and the micro-inverter company **Enphase Energy** were reduced. Profits were also taken in **First Solar** given its strong YTD performance. Increased in the solar sub-cluster was **Shoals Technologies Group**, a supplier of balance of systems electric components for solar projects, as well as the solar tracker company **Array Technologies**. Both companies are supposed to profit from their utility-segment exposure, as well as from any additional positive effects of the implementation of the IRA which has not been included in the companies' guidance yet.

The position in the lithium miner **Albemarle** was reduced as falling lithium metal prices signal a more balanced demand/supply situation. The company also announced its interest to acquire the peer company Liontown, which would risk increasing the leverage of **Albemarle** considerably.

Exposure to power conversion companies was increased given the positive sector news flow, with Fund management adding further to the positions of **STMicroelectronics**, **Monolithic Power Systems** and **ON Semiconductor**.

The Fund maintained its significant exposure to the energy efficiency of big data subcluster through **Marvell Technology** and **Lattice Semiconductor**, as the demand for artificial intelligence-related data processing is picking up steam.

Increased was also the position in the Japanese industrial and electric motors company **Nidec** given the attractive entry point, as well as in the industrial gases company **Linde** as the transition to a US listing had been successfully implemented.

Sold was the remaining position in the smart grid supplier **Itron** and reduced the hydrogen player **Plug Power**.

### Market outlook

The banking system looks more resilient than during the time of the Global Financial Crisis, with the banks better capitalized, and the quality of loans being in better shape. We therefore do not expect the crisis to spread much further though we still have to

fully understand the impact on credit tightening. Meanwhile, the challenge of the Fed to protect the banks and tame inflation at the same time without triggering a recession have become more difficult. Increased recession risks are likely to keep bond yields and interest rates at bay, giving valuation support, notably to growth companies.

We remain 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 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**

3 April 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.

## Important Information

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This Fund promotes environmental and/or social characteristics and is classified as an Article 9 fund under the EU's Sustainable Finance Disclosure Regulation ("SFDR"). For more information please see the Fund's prospectus or by visiting [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

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

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](mailto: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-Sustainability/Responsible-Investing/> 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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**Benchmark** The Fund is actively managed and uses the MSCI ACWI Net TR Index as a performance target. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found <http://www.msci.com/acwi>. The benchmark is provided by an administrator on the European Securities and Markets Authority (ESMA) register of benchmarks which includes details of all authorised, registered,

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

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

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