



USD Class I Acc | ISIN: IE00BFMFDD19

**NAV per Share**

USD Class I Acc      US\$12.16

**Fund Details**

Fund Size	US\$1,479.6 m
Base Currency	USD
Denominations	USD/GBP/EUR
Fund Structure	UCITS
Domicile	Ireland
Launch Date	29 June 2018
Investment Manager	Polar Capital LLP
SFDR Classification	Article 8

**Fund Managers**

**Jorry Nøddekær**
**Fund Manager**

Jorry has managed the fund since launch, he joined Polar Capital in 2018 and has 24 years of industry experience.


**Naomi Waistell**
**Fund Manager**

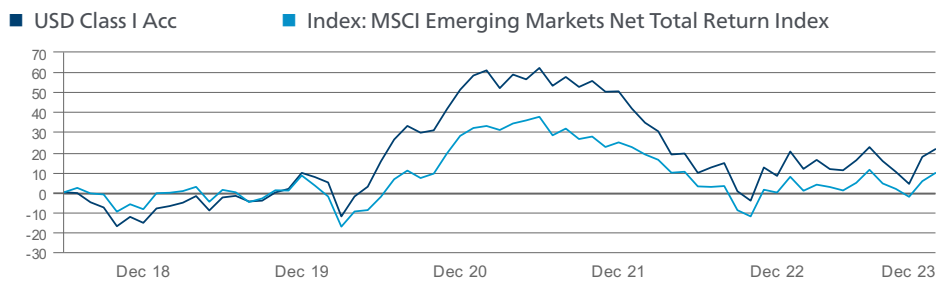
Naomi has managed the fund since she joined Polar Capital in 2020 and has 16 years of industry experience.

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

The Fund's investment objective is to achieve long term capital growth. The Fund seeks to achieve its objective by investing in a broad range of shares from companies in emerging markets (developing countries), or from companies which generate a significant amount of their business from emerging market countries.

**Key Facts**

- Team of dedicated sector specialists
- Fundamentally-driven analysis and stock selection
- ESG-based analysis incorporated as part of the investment process
- Typically 45-65 positions

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


							Since Launch	
	1m	3m	YTD	1yr	3yrs	5yrs	Cum.	Ann.
USD Class I Acc	3.31	10.34	12.38	12.38	-19.63	43.57	21.60	3.62
Index	3.91	7.86	9.83	9.83	-14.47	19.83	9.67	1.69

**Discrete Annual Performance (%)**

12 months to	29.12.23	30.12.22	31.12.21	31.12.20	31.12.19
USD Class I Acc	12.38	-28.11	-0.53	37.92	29.52
Index	9.83	-20.09	-2.54	18.31	18.42

**Calendar Year Performance (%)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
USD Class I Acc	12.38	-28.11	-0.53	37.92	29.52	-	-	-	-	-
Index	9.83	-20.09	-2.54	18.31	18.42	-	-	-	-	-

**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 29 June 2018. Performance data is shown in USD. Source: Northern Trust International Fund Administration Services (Ireland) Ltd. Benchmark performance shown in USD. Source: Bloomberg. If this is not your local currency, exchange rate fluctuations may cause performance to increase or decrease when converted into your local currency. Performance data takes account of fees paid by the fund but does not take account of any commissions or costs you may pay to third parties when subscribing for or redeeming shares or any taxes or securities account charges that you may pay on your investment in the fund. Such charges will reduce the performance of your investment. A 5% subscription fee can be charged at the Investment Managers discretion.

**Fund Ratings**


Ratings are not a recommendation.

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## Portfolio Exposure & Attribution

As at 29 December 2023

### Top 10 Positions (%)

TSMC	9.8
Samsung Electronics	7.6
Tencent	4.4
Reliance Industries	4.2
Phoenix Mills	4.1
HDFC Bank	3.3
Ivanhoe Mines	3.0
Grupo Financiero Banorte SAB d	2.9
Pinduoduo	2.7
MercadoLibre	2.7
<b>Total</b>	<b>44.9</b>

**Total Number of Positions** 54

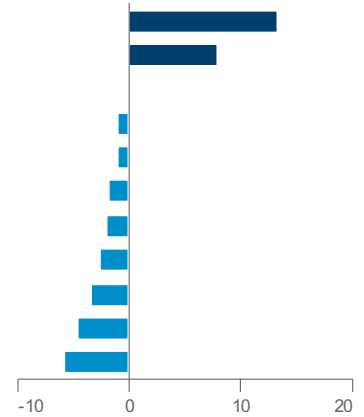
**Active Share** 77.15%

### Market Capitalisation Exposure (%)

Large Cap (>US\$10 bn)	64.0
Mid Cap (US\$1 bn - 10 bn)	31.8
Small Cap (<US\$1 bn)	3.3
Cash	0.9

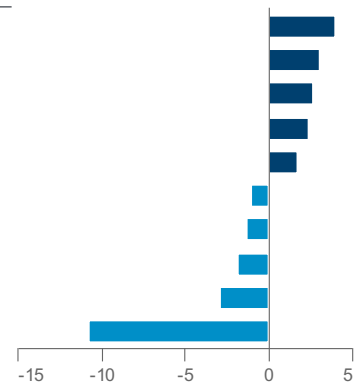
### Sector Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund	Relative
Information Technology	35.9	13.5
Real Estate	9.6	8.0
Industrials	5.9	-0.3
Consumer Discretionary	12.0	-1.0
Energy	4.2	-1.1
Materials	6.4	-1.7
Health Care	1.9	-1.9
Utilities	0.0	-2.7
Communication Services	5.2	-3.4
Consumer Staples	1.4	-4.5
Financials	16.6	-5.7



### Geographic Exposure - Top Overweights & Underweights Relative to Index (%)

	Fund	Relative
Viet Nam	4.1	4.1
Argentina	3.1	3.1
Uruguay	2.7	2.7
India	19.1	2.4
Mexico	4.5	1.8
Poland	0.0	-1.0
Malaysia	0.0	-1.3
Thailand	0.0	-1.8
Saudi Arabia	1.2	-2.9
China	15.8	-10.7



The column headed "Fund" refers to the percentage of the Fund's assets invested in each country/sector. The column headed "Relative" refers to the extent to which the Fund is overweight or underweight in each country/sector compared (relative) to the index.

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>
EUR I Acc	POEMSIE ID	IE00BFMFDF33	BFMFDF3	-	0.89%	0.75%	10%
GBP I Acc	POEMSIG ID	IE00BFMFDFG40	BFMFDFG4	-	0.89%	0.75%	10%
USD I Acc	POEMSIU ID	IE00BFMFDD19	BFMFDD1	-	0.89%	0.75%	10%
EUR R Acc	POEMSRE ID	IE00BFMFDB94	BFMFDB9	-	1.39%	1.25%	10%
GBP R Acc	POEMSRG ID	IE00BFMFDC02	BFMFDC0	-	1.39%	1.25%	10%
USD R Acc	POEMSRU ID	IE00BFMFDD979	BFMFDD97	-	1.39%	1.25%	10%

<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 10% of outperformance of MSCI Emerging Markets Total Return Index.

## Fund Managers' Comments

### Market review

2023 was a good absolute and relative performance year for the Fund (USD I Acc Share Class), returning 12.4% compared to 9.8% for the benchmark, the MSCI Emerging Markets Net Total Return Index (all figures in dollar terms). This places us just outside the top quartile (26th percentile) versus our peers, according to Lipper, which is particularly pleasing for our growth and quality investment style given this was once again a year dominated by value as a style in emerging markets (the like-for-like comparison is more difficult as the Lipper universe also includes emerging market ex-China funds). Looking at the longer term and our underlying sustainability profile, we performed relatively well against those we regard as our long-term key competitors as well as other so-called emerging market sustainable and/or Article 9 funds, as per SFDR (Sustainable Finance Disclosure Regulation).

2023 was not an easy year and we often felt that the markets and key stocks did not react to fundamental data how we had forecast they would, through panic around inflation and politics. The higher negative impact than the fundamentals deserved, in our opinion, does provide us with encouraging opportunities over the longer term.

Alongside the negative backdrop throughout most of the year, as US inflation prompted a 'higher for longer' interest rate narrative, which hit emerging markets and growth as an asset class via higher discount rates, there were two big emerging market bear markets. These were (1) China, where we were largely underweight (which worked well but for our stock-picking), and (2) the EV/renewable and ESG theme which, as a growth area, left us with a negative contribution.

On the positive side, our technology call was pretty much spot on, driving a great deal of our positive returns. Furthermore, we continued to benefit from being overweight India with a strong stock selection. Our increased exposure to Mexico and Brazil also paid off well from both an absolute and relative return perspective. In general, our good relative country asset allocation effect, combined with key stock picks and good risk management, gave us positive absolute returns as well as outperformance versus the benchmark.

### Fund performance

December was a slightly frustrating month for the Fund (USD I Acc Share Class), returning 3.3%, following very strong absolute returns in November. However, the Fund underperformed the benchmark by 0.6%. The frustration comes mostly from our view that this underperformance was to a large degree driven by what we would define as short-term profit-taking in a number of the portfolio holdings that did well in November. We feel there is still a great deal more upside in these companies from a longer-term fundamental perspective.

Rather than there being one dominant theme in December, the market was mostly digesting the strong November performance and the Fed pivot, trying to form a view for 2024 with regard to the idea of a soft landing in the US.

Latin America (LatAm) was the strongest performing region (up by 7.7%), followed by the CE-MENA region (4.7%); the weakest region

was Asia, though still with a positive return of 3.1%, within which India was the key outperformer.

Of the bigger sectors, IT and industrials performed well, with communication services and healthcare on the weaker side of the ledger.

The strongest relative stock contributors were Prestige Estates Projects (Indian real estate), Ivanhoe Mines (copper miner in the Democratic Republic of the Congo), Samsung Electronics (South Korean technology), Reliance Industries (Indian industrial and consumer conglomerate) and Samsung Engineering (South Korean construction).

The weakest relative contributors were Phoenix Mills (Indian mall operator), Tencent (Chinese internet), MercadoLibre (LatAm e-commerce and FinTech company), Aldar Properties (Middle Eastern property) and HPSP (South Korean technology company).

### Outlook

We remain constructive on the outlook for emerging markets, particularly growth-related stocks. In the US, the market is pricing in Fed rate cuts of c150bps in 2024 though we do not believe a rate-cutting cycle is priced into emerging markets as the implied discount rate here is still too high. We see room for strong second-round effects to growth in key emerging market countries whose economies can benefit from their own rate-cutting cycle, as there are generally no inflationary issues and we have a large output gap.

Furthermore, as stock-pickers we see very attractive opportunities from the emerging 'multi-polar world' we have been talking about for some years. If anything, 2023 was the year when it became clear to us that the world, particularly in emerging markets, is fundamentally changing. Globalisation is not dead; it is just being reorganised and we will see the emergence of new strong growth centres around the world. China is unlikely to be one of the more immediate strongest performers though, but given its size, we believe this negative will be a large and very important positive for India, Vietnam, Indonesia and Mexico, to mention a few of the key winners. As stock-pickers we have the opportunity to allocate our capital here and not be constrained by old benchmark weightings.

We also believe we are at the start of a structural trend of 'de-dollarisation'. This is not to say the US dollar is no longer the world's reserve currency. However, we are increasingly seeing trade within emerging markets being settled outside the US dollar. This is, in our view, very bullish for emerging markets. It is likely to give the usual cyclical tailwind to emerging markets from a weaker dollar but will unlock local pools of capital as these economies, from a trading perspective, will no longer be constrained by dollar availability. In our view, this is significant and close to being a game changer for emerging markets. We believe this will unlock a strong structural investment up-cycle in emerging markets that will be long-lasting. If we are right, this will also be bullish for commodities, particularly for something like copper that could be supply-constrained in the years to come.

Finally, we maintain a large overweight in IT/technology as we believe we are entering a new, large investment cycle where AI will play a key role. We see many of our Taiwanese and South Korean technology companies in a strong position to benefit.

There will be equity market risks to emerging markets and our portfolio holdings. The biggest risk will probably come from the huge number of elections in 2024. We do not see either the Russia/

Ukraine war or the Israel/Gaza conflict escalating significantly and think the likelihood of China invading Taiwan is extremely small.

There is both a direct impact of an election outcome that can be disturbing – for instance, a Trump victory in the US could create a great deal of volatility for the rest of the world – and an indirect impact, as politicians involved in an election normally overspend – given where we are in the inflation cycle, there could be risk of a move in the wrong direction for inflation. In that regard, especially for the US, we also see a real risk that the 10-year Treasury yield will move up again, not because of inflation as such, but because of the US debt level. These trends, thanks to the fundamentals in emerging markets, should drive capital towards the asset class, but there is a risk that a higher level of risk aversion will hit emerging markets (again).

**Jorry Nøddekær & Naomi Waistell**

8 January 2024

*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.*

## Risks

- **Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund before investing.**
- **Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested as there is no guarantee in place.**
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and

regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.

- The Fund invests in the shares of companies, and share prices can rise or fall due to several factors affecting global stock markets.
- The Fund uses derivatives which carry the risk of reduced liquidity, substantial loss, and increased volatility in adverse market conditions, such as failure amongst market participants.
- The Fund invests in assets denominated in currencies other than the Fund's base currency. Changes in exchange rates may have a negative impact on the Fund's investments. If the share class currency is different from the currency of the country in which you reside, exchange rate fluctuations may affect your returns when converted into your local currency.

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

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

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

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

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

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**Benchmark** The Fund is actively managed and uses the MSCI Emerging Markets Net Total Return Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found [www.msci.com](http://www.msci.com). The benchmark is provided by an administrator on the European Securities and

## 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

- The Fund invests in emerging markets where there is a greater risk of volatility due to political and economic uncertainties, restrictions on foreign investment, currency repatriation and currency fluctuations. Developing markets are typically less liquid which may result in large price movements to the Fund.

Markets Authority (ESMA) register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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**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.



## Important Information (contd.)

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