SHINING A LIGHT ON THE...... Polar Capital Funds PLC – Smart Energy Fund

AT A GLANCE

Investment Objective

The investment objective of the Fund is to provide long-term capital growth. In addition, 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.

Inception Date	30 September 2021	
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapsh	
	ot/snapshot.aspx?id=0P000107J2	

Management	
Manager Name	Start Date
Thiemo Lang	30 September 2021

FUND PERFORMANCE

Performance from 30th September 2021 – 31st January 2022:

	2021	2022
Polar Capital Funds PLC – Smart Energy Fund	5.93%	-12.85%
MSCI ACWI NR USD	5.08%	-4.00%

Performance since launch:

	Since launch
Polar Capital Funds PLC – Smart Energy Fund	-7.68%
MSCI ACWI NR USD	0.87%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	-	-	-	-	-	Growth / Mid

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Volatility Measurements	
3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

Investment Style Details		
Giant	19.63%	
Large	25.93%	
Medium	35.78%	
Small	16.31%	
Micro	1.91%	

Top 5 Holdings – 51 Equity Holdings		
ON Semiconductor Corp	Technology	5.16%
Power Integrations Inc	Technology	4.95%
Schneider Electric SE	Industrials	4.29%
XPeng Inc ADR	Consumer Cyclical	3.38%
Johnson Controls International PLC	Industrials	3.38%

Top 5 Sectors		
Technology	51.81%	
Industrials	32.40%	
Basic Materials	6.63%	
Consumer Cyclical	5.67%	
Utilities	3.49%	

Top 5 Regions	
United States	47.57%
Japan	12.06%
France	12.04%
Germany	6.96%
China	4.78%

UPDATE....

The strategy is new and is looking to invest in companies at the forefront of the global transition towards a cleaner, more efficient, and sustainable energy future. We are advocates of this and believe that there are many structural headwinds within the right companies and sectors, and these could be multi decade investment opportunities.

This fund looks to capital on this by investing across several secular growth trends. The discussion was more about introducing the concept and we would want to do a deep dive to really understand what they want to achieve and how they will do this. Much of this discussion was about examples to bring to life what they want to achieve.

The argument stems from the fact there are few realistic scenarios left to limit global warming to 1.5-degrees. The pressure to work towards this target will grow significantly. Renewable power generation is set to increase from 30% to 90% by 2050, and whether it is electric heat pumps or electric vehicles the need to drive up the electricity supply is significant.

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Areas they are focusing on include green hydrogen, which is needed in the decarbonisation of heavy transportation, component suppliers of electric vehicles and companies that deliver solutions to deliver building efficiencies.

The main areas of focus go across clean power, energy conversion and storage, energy efficiency and energy transmission and distribution. The do have an exclusion policy and focus on those companies which do no significant harm and have good governance. The E part of ESG is really important as they see clean energy as the clean technology.

In summary, this is a strategy that is investing in companies that are in the forefront of the drive to cleaner and smarter energy. This is a new fund and we would want to do further work around the process and understand more stock examples before we added it to our watchlist.

The source of information in this note has been provided by Polar Capital and is correct as of January 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to decide based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.