

# Polar Capital Artificial Intelligence Fund

Invest in era defining technology

The pace of innovation and rate of adoption of artificial intelligence (AI) is rapidly accelerating. No longer an emerging technology, AI has reached an inflection point and entered the mainstream, bringing with it potentially profound disruption.

The **Polar Capital Artificial Intelligence Fund** adopts a highly active approach to this rapidly evolving environment, seeking multi-sector exposure to both the enablers of this technology, and the beneficiaries, as the investment landscape is rewritten.

## Fund Facts

Launch Date  
**06.10.2017**

Benchmark  
**MSCI ACWI Net TR Index**

Fund size (USD)  
**\$942.7m**

Active Share  
**77.4%**

Denominations  
**USD / GBP / EUR**

Domicile  
**Dublin, Ireland**

Structure  
**Open-ended UCITS**



Analyst-Driven **55%**  
Data Coverage **98%**

## Fund Highlights

**Global, multi-cap portfolio**  
**50-80 stocks**, all enablers and adopters of disruptive technologies<sup>†</sup>

**Building an impressive track record**  
Annualised return of **12.6%**<sup>1</sup> since launch

**Innovative companies across all sectors** Embracing tech adoption can promote better growth and profitability across all sectors

**Driven by bottom-up stock selection**  
**77.4%** active share

**Long-term theme capturing disruption** Fundamental and rapid transformations over multi-year cycles



<sup>†</sup>Typical range of 50-80 stocks.

**Past performance is not indicative or a guarantee of future results.**

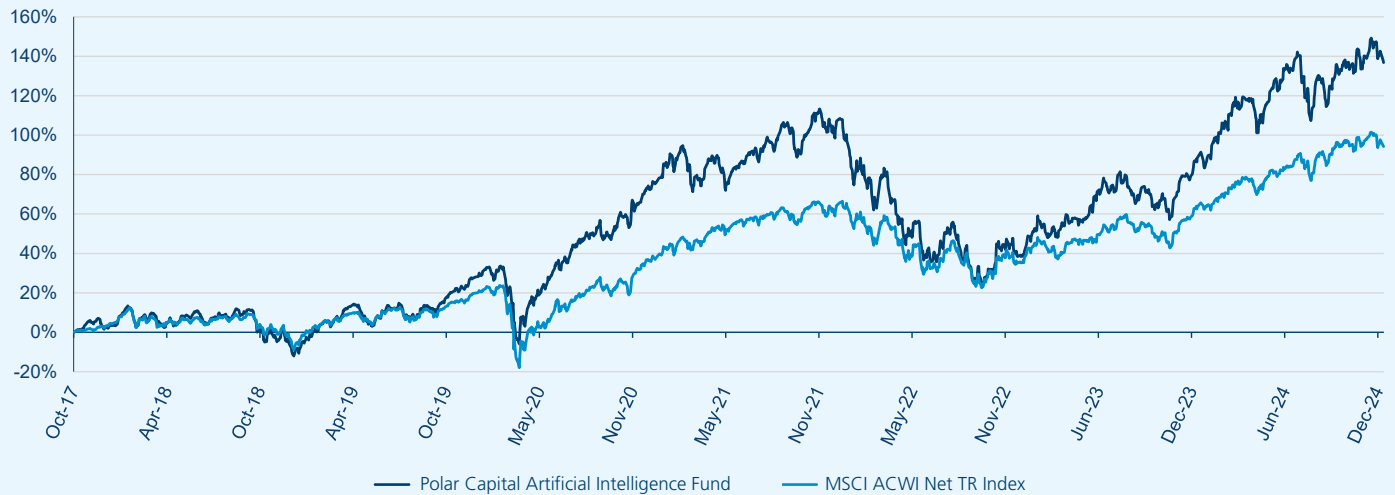
**Source: 1.** Polar Capital and Bloomberg, USD I Acc Share Class, 6 October 2017 to 31 December 2024. Benchmark: MSCI ACWI Net Total Return Index (USD). © 2024 Morningstar, Inc. All Rights Reserved. Rating representative of the I USD Acc Share Class, as at 30/11/2024. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Medalist Rating, including its methodology, please go to: <https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx>.

For disclosure and detailed information about this fund please request the full Morningstar Managed Investment Report from [investor-relations@polarcapitalfunds.com](mailto:investor-relations@polarcapitalfunds.com).

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# Polar Capital Artificial Intelligence Fund

## Performance Fund vs Benchmark (%)



	Q4 2024	1 Year	3 Years	5 Years	Since Inception
Polar Capital Artificial Intelligence Fund	1.5%	24.2%	13.8%	84.6%	136.8%
MSCI ACWI Net TR Index	-1.0%	17.5%	17.2%	61.5%	94.2%
<b>Relative Performance</b>	<b>+2.5%</b>	<b>+6.7%</b>	<b>-3.4%</b>	<b>23.1%</b>	<b>42.6%</b>

Past performance is not indicative or a guarantee of future results.

Source: Polar Capital and Bloomberg. Date: 31 December 2024. Fund performance is stated for USD I Acc Share Class, which was launched on 6 October 2017. Benchmark: MSCI ACWI Net Total Return Index (USD). 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.

## Performance indicators (since inception)

Universe quartile <sup>2</sup>	1
Sharpe ratio	0.6
Sortino ratio	0.8
Alpha	2.8%
Information ratio (net of fees)	0.3

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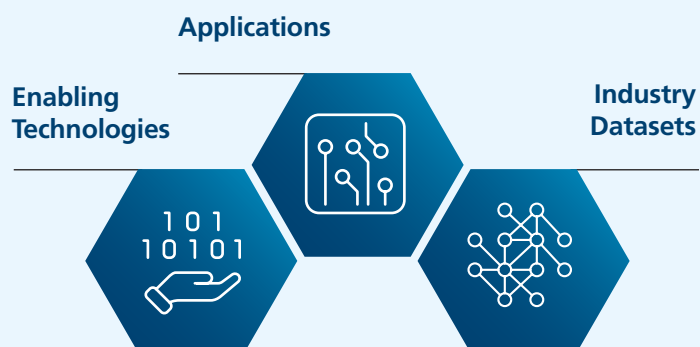
Source: Polar Capital, Bloomberg, USD I Acc Share Class, 6 October 2017 to 31 December 2024. Benchmark: MSCI ACWI Net Total Return Index (USD).

<sup>2</sup> Lipper, 31 December 2024. Peer Group: Lipper Global: Equity Global. Ranking based on R USD share class.

## Capturing disruptive transformation at a portfolio level

The **Polar Capital Artificial Intelligence Fund** invests in the enablers and adopters of artificial intelligence, grouped into three sub-themes:

This ensures that the portfolio achieves comprehensive exposure to the entirety of the investment theme to capture the broad disruptive change that artificial intelligence is driving.



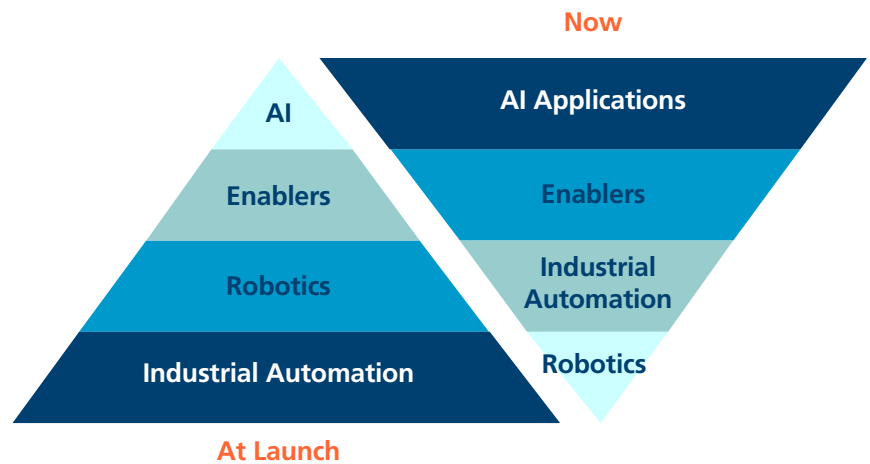
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# Polar Capital Artificial Intelligence Fund

## Building a portfolio for AI

The **Polar Capital Artificial Intelligence Fund** was launched in 2017 in anticipation of the arrival of AI's mainstream moment. Its long-term focus on AI as the core theme of the future means that, now we have reached the inflection point for AI, the Global Technology Team are building on an already strong track record of identifying the leading innovators already using AI to their advantage.



At the heart of the Fund is a highly dynamic, active approach to investing in this theme that we believe has the potential to dominate all industries. Utilising a bottom-up stock selection process, the team look to construct a diverse portfolio of companies that include both AI adopters and enablers. The fact that AI adoption has the potential to impact all industries facilitates broad sector diversification, which is reflected in the makeup of the Fund.

## Determining AI winners in a changing world

The markets to be disrupted by AI are enormous, and still emerging. However, what is clear already is that the overall opportunity is world changing.

**AI adoption** could increase global GDP by **\$7tn** over 10 years.<sup>3</sup>

Adding **1.5%** to **annual productivity growth**.<sup>3</sup>

Nearer term, the **AI market** could be worth as much as **\$900bn** by 2026.<sup>4</sup>



We believe the fastest adopters of AI are already realising the benefits, generating higher revenue growth and profit margins. These 'winners' create a circular ability to reinvest back into new technology, thereby compounding their competitive advantage.

Lead Fund Manager Xuesong Zhao and the Global Technology Team leverage their deep understanding of the technology space to identify this small group of potential winners while seeking to avoid the hype cycle.

<sup>3</sup>. Goldman Sachs, 26 March 2023. <sup>4</sup>. IDC, July 2023. All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so.

# Polar Capital Artificial Intelligence Fund

## 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.
- 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.

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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. 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, Ireland, via email by contacting [Investor-Relations@polarcapitalfunds.com](mailto:Investor-Relations@polarcapitalfunds.com) or by visiting [www.polarcapital.co.uk](http://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/>.

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**Benchmark:** The Fund is actively managed and uses the MSCI ACWI Net TR 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 <https://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, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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