

A vintage year for convertibles – and why supportive conditions remain



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David joined Polar Capital in October 2010 to establish the Global Convertible Team.



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The Polar Capital Global Convertible Fund seeks to deliver long-term capital appreciation through investing in the global convertible bond universe – a market that offers a compelling blend of equity-like upside with fixed income-style downside protection. The Fund's approach combines bottom-up fundamental research with disciplined top-down portfolio construction, designed to capture asymmetric returns while maintaining a focus on capital preservation.

Performance

The Fund has been managed by the same experienced team of specialist convertible managers since inception in 2013. Their philosophy is rooted in exploiting the convex characteristics of convertibles, investing only where the risk-adjusted return profile is attractive. This disciplined, research-led process, coupled with active participation in the primary market, has underpinned a consistent record of benchmark outperformance and robust risk-adjusted returns through varying market cycles.

Over the full period since inception, the Fund has delivered a total return of 98.4% compared to 62.0% for the benchmark, an outperformance of 36.4 percentage points¹.

Since the Fund was launched, it has outperformed its benchmark (the Refinitiv Global Focus Convertible Bond Index) in nine of the time periods shown below and underperformed in four. Notably, while the benchmark posted negative returns in five of the periods, the Fund outperformed in four of these five.

Polar Capital Global Convertible Fund performance since inception (%)¹

	Fund	Benchmark	Relative	Outperformance
2013	10.7	6.89	3.81	✓
2014	2.44	-1.08	3.52	✓
2015	-0.09	-0.17	0.08	✓
2016	-0.26	0.23	-0.49	
2017	11.5	9.67	1.83	✓
2018	-0.87	-4.82	3.95	✓
2019	8.97	12.01	-3.04	
2020	27.92	25.4	2.52	✓
2021	-7.52	-3.76	-3.76	
2022	-16.27	-19.10	2.83	✓
2023	7.42	9.25	-1.83	
2024	6.08	5.95	0.13	✓
2025 YTD	29.17	15.89	13.28	✓

Past performance is not indicative or a guarantee of future results. Source: 1. Polar Capital, 28 November 2025, USD I Acc Share Class, which was launched on 30 August 2013. Benchmark: Refinitiv Global Focus Convertible Bond Index; USD. 2025 YTD: as at 28 November 2025. Note: Performance shown for 2013 is from Fund launch on 30 August 2013 to 31 December 2013; it is not for the full calendar year. 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.

Awards & ratings



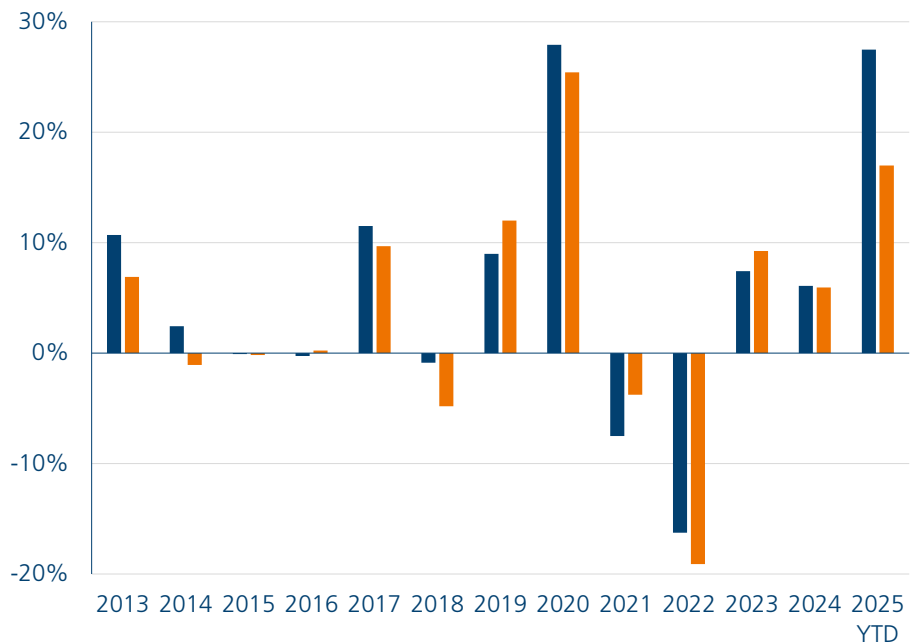
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This consistent track record includes both strong and weak market conditions, with the Fund outperforming in years characterised by robust equity and credit markets, such as 2020 and 2025, as well as during more challenging periods, such as 2022.

Year to date to the end of November 2025, the Fund has outperformed its benchmark by 13.3 percentage points. No single position has been responsible for an outsized gain or loss. Instead, outperformance has been driven by strong stock selection and effective participation in new convertible bond issuance. We expect these positive trends to continue into 2026.

Fund and index returns



■ Polar Capital Global Convertible Fund ■ Refinitiv Global Focus Convertible Bond Index

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Convertible market revival

The convertible bond market has enjoyed one of its strongest years since 2020, supported by robust new issuance and healthy investor demand. Global issuance has exceeded \$140bn this year – already exceeding 2024’s full-year total – and is expected to reach \$150-160bn by year end.

Issuance has been diversified across sectors and geographies, with notable activity in AI infrastructure, cybersecurity, aerospace and defence, renewables (including uranium and nuclear energy) and healthcare. This breadth has broadened the investment opportunity set and reinforced convertibles’ role as a bridge between growth and defensiveness.

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Outperformance has been driven by strong stock selection and effective participation in new convertible bond issuance



The breadth of sector participation reinforced convertibles' role as a dynamic asset class that bridges growth and defensiveness

Favourable conditions for issuers and investors

Several factors have contributed to the strong primary market:

- 1. Refinancing needs:** The refinancing of pandemic-era convertibles issued during 2020-21 has driven significant new supply
- 2. Interest rate environment:** While rates have moderated, they remain relatively high, making convertibles – with their typically lower coupons – an attractive source of financing
- 3. Stable credit spreads:** Corporate balance sheets remain healthy, with tight spreads signalling strong issuer fundamentals
- 4. Investor demand:** Convertibles have re-emerged as an appealing solution to the asset allocation conundrum, providing participation in rising equity markets with embedded downside protection

These conditions have created an environment that supports both issuers and investors. Convertibles have continued to outperform major equity and fixed income indices, benefiting from heightened volatility, AI-led growth and resilient corporate fundamentals.

Outlook

Convertible bonds have delivered strong performance so far in 2025, supported by a favourable combination of factors. Robust new issuance throughout the year expanded the opportunity set, with many companies taking advantage of attractive market conditions to raise capital via the convertible market. In addition, elevated volatility levels and wider dispersion in equity performance created an environment conducive to active management, allowing convertibles to capture asymmetric upside while maintaining downside protection.

Performance drivers were notably diverse, spanning multiple themes and sectors. Companies linked to artificial intelligence and high-performance computing infrastructure were standout contributors, alongside strong issuance and returns from rare earths, aerospace and defence, healthcare and the broader renewables complex.

The breadth of sector participation reinforced convertibles' role as a dynamic asset class that bridges growth and defensiveness.

Looking ahead to 2026, we expect many of these supportive dynamics to persist. Continued corporate funding needs and high equity valuations should underpin another year of healthy new issuance. Similarly, ongoing macro uncertainty and market dispersion are likely to sustain elevated volatility, an important driver of convertible attractiveness.

After a very positive 2025, we acknowledge the potential for a short-term consolidation. Nonetheless, we see an encouraging opportunity set for 2026, with active selection and disciplined risk management key to capturing value in what remains an attractive environment for convertible bond investors.

Polar Capital Convertible Team

03 December 2025

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- **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 equities, convertible and fixed income securities and 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 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.
- 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. Hedged share classes may have associated costs which may impact the performance of your investment.
- There may be times where the issuer or guarantor of a fixed income (or convertible) security cannot meet its payment obligations or has their credit rating downgraded, resulting in potential losses for the Fund.
- 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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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 can be found [here](#).

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Benchmark The Fund is actively managed and uses the Refinitiv Global Focus Convertible Bond 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 here. 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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