

George Godber & Georgina Hamilton, Fund Managers

Polar Capital UK Value Opportunities Fund

UK Budget: The storm clouds have lifted

George Godber: Hello, this is George Godber and Georgina Hamilton, managers of the Polar Capital UK Value Opportunities Fund. We'd like to give you a brief outline on the impact of the Budget and what it meant for our Fund and our outlook.

Overall, the Budget was positive for the bond markets and that can't be underestimated. We should now have a much clearer path for rate cuts in mind and in time that should deliver a better outlook for UK economic growth, albeit this will take time to come through.

Lower bond yields and lower interest rates are supportive for the interest rate-sensitive sectors of the market, particularly for mid-caps and more domestically focused companies. The Fund should be well placed to benefit here with around 50 % of our exposure to the SMID-cap area and 66 % of the Fund being exposed to domestic earners.

The key rate-sensitive sectors we would highlight would include the REITs, house builders, areas of UK consumer spending, food producers and some diversified financials.

Lower bond yields have a direct positive impact on the valuation of REITs. Falling yields support higher NAVs. If we look at the fundamentals, especially in prime central London, they remain extremely strong. We've seen demand exceed supply and rental growth remaining robust. As lingering concerns on the bond market start to ease, these strong fundamentals should become more visible. The Fund holds companies such as Great Portland Estates and Shaftesbury, both businesses exposed to prime central London and trading at discounts of over 30 % to their book value.

Georgina Hamilton: Housebuilders are another area where lower bond yields feed through quickly. While the sector did not receive any direct policy support such as help to buy or stamp duty cuts, lower mortgage rates provide a meaningful tailwind. Those companies trading below book value should, in our view, recover to at least book value given the resilience of their asset bases. The fund owns Bellway, which is currently trading at a decent discount to book.

Lower mortgage and savings rates should also bolster UK consumer spending. Beneficiaries include supermarkets such as Marks & Spencer's and Sainsbury's as well as food producers like Premier Foods and Cranswick.

Banks, meanwhile, avoided additional taxes that have been widely anticipated. Underlying trading remains strong and we expect further upgrades from the domestic banking sector in 2026. The Fund is overweight this area.

While gambling taxes have increased, the changes exclude spread-betting and are more favourable for land-based operators.

As the storm clouds of the Budget finally recede and we look towards 2026, the UK will likely find itself in the top half of the G7 for GDP growth. We believe it will also have positive real incomes and the refinancing headwind for mortgages, which has so plagued the UK consumer for the past few years, will finally burn out over the course of the year, enabling real income growth to actually be diverted into real spending growth.

This should provide a good backdrop for UK domestics, mid-caps and rate sensitive stocks in 2026.

27 November 2025

Polar Capital UK Value Opportunities Fund

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- **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 may invest 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 a relatively concentrated number of companies and industries based in one country. This focused strategy can produce high gains but can also lead to significant losses. The Fund may be less diversified than other investment funds.

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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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Gibraltar / Guernsey / Jersey / Ireland / Switzerland and the United Kingdom

The Fund is registered for sale to investors in these countries.

Find out more



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