



31 December 2004

Share Price	172.50
NAV per Share (diluted)	197.62
NAV per Share (undiluted)	212.89
Discount (calculated on diluted NAV)	-12.71
Net Yield	N/A
Warrant Price*	72.25
Gross Total Assets	£322.6m
Management Fee	1.0% p.a.
	plus performance fee

Established December 1996

Source: HSBC / Polar Capital Partners

*Warrants may be exercised on 30 September each year until 2005 at a price of 100p per share

Performance Over:	1yr(%)	3yrs(%)
Share Price	5.99	-19.39
NAV Diluted	5.53	-0.97
NAV Undiluted	6.22	-2.21
FT/S&P World Index	5.99	-10.40
Warrant Price	15.14	-37.45

All figures capital performance only; Source HSBC

PCT Share Price & Market Indices Over Past 12 Months



Dec 2003 2004

Source: Bloomberg LP

Key: PSE-PACIFIC HIGH TECH SX8P - DJ STOXX 600TECH
TPELMH-TOPIX ELECTRIC M PCT LN - PCTT SHARE PRICE

Portfolio Analysis – Gearing 116.25%

The gearing figure is calculated by dividing the Trust's gross assets by its net assets. This calculation ignores the effect of any cash or fixed interest holdings.

Manager Comment

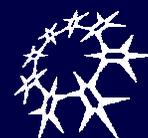
Equity markets performed strongly in December and, in doing so, completed a very robust fourth quarter. Economic news during the month was somewhat mixed with both Continental Europe and Japan continuing to see sluggish demand. News in the USA was more encouraging and sentiment in most markets has been helped by the downward drift in oil prices.

The performance of technology shares was good in absolute terms but mixed in a relative sense. The European technology sector was a notable laggard, to a large extent on the back of concerns about the continuing strength of the euro. Japanese electronics stocks enjoyed a strong pick-up following a period of material underperformance and smaller companies there were notable out-performers.

2004 appears to have ended on a modestly positive note. Corporate spending seems to have been reasonably firm although there is limited evidence of any pronounced budget flush. In contrast, sales to consumers have disappointed although on-line commerce seems once again to have enjoyed a very strong Christmas. Expectations for fourth quarter earnings look reasonable and much attention will focus on corporate guidance going into the New Year.

We remained pretty fully invested during December but have reallocated some assets away from the US into, in particular, Japanese small and mid cap companies. Following an extended period of relative weakness, this area of the market seemed to offer an attractive combination of value and growth. Consequently, our Asian weighting rose towards 25% during December, a level we expect to maintain over the short term.

Brian Ashford-Russell, 6th January 2005



Top Ten Equity Holdings	%	Sector Breakdown	%
LG Philips	1.6	Computing	9.6
Nitto Denko	1.4	Consumer	6.8
APLIX	1.3	Communication Equipment ex wireless	7.3
Wincor Nixdorf	1.3	Semiconductor/SPE/EMS	18.1
JSR	1.2	Services	9.1
Atos Origin	1.2	Software	17.3
Harris	1.2	Telecom/Media	1.1
Dell	1.2	Wireless	3.3
Apple	1.2	Healthcare	11.2
KLA Tencor	1.1	Electronic Components	5.1
		Defence	2.2
		Other Sectors	9.1
Total	12.7%		

Geographical Breakdown	%
North America	51.4
Europe	21.2
Asia ex Japan	9.9
Japan	15.1
Cash/Bonds (net of borrowings)	2.4

Investment Management Team



Polar Capital Technology Trust is managed by the Polar Capital Partners technology team. Polar Capital was established by the senior technology fund managers previously responsible for Henderson's specialist technology funds.

Brian Ashford-Russell: Was Head of the Technology Team at Henderson (previously Touche Remnant) from 1987 until his resignation to set up Polar Capital in September 2000. He has been the appointed fund manager of Polar Capital Technology Trust since its launch in 1996 as Henderson Technology Trust, and was also the manager of HTT's predecessor, TR Technology, from 1988 to 1998. He managed the Henderson Global Technology Unit Trust from its launch in 1984 to 1996 as well as a number of other funds.

Tim Woolley: Was responsible for the North American specialist technology portfolios at Henderson. He joined Henderson in 1996 from (Aberdeen) Prolific where he managed the Technology Unit Trust from 1993 to 1996. He managed Henderson Global Technology Unit Trust and Henderson Horizon Global Technology Fund from 1996 until his resignation to set up Polar Capital in September 2000.



Ben Rogoff: Has been a technology specialist for eight years having begun his career in fund management at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 where he spent four years as a senior technology manager prior to joining Polar Capital in May 2003. He is responsible for the management of Polar Capital's US technology portfolios.

The Trust

Investment Approach: Polar Capital Technology Trust selects companies for their potential for generating capital growth, not on the basis of technology for its own sake. We believe in rigorous fundamental analysis and focus on;

- management quality
- the identification of new growth markets
- the globalisation of major technology trends, and
- exploiting international valuation anomalies and sector volatility

Rationale: Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new technology. Technology is transforming the competitive position of companies and entire economies, thereby fuelling a major secular increase in technology spending.

Polar Capital Technology Trust PLC is an investment trust listed and traded on the London Stock Exchange.

All sources Polar Capital Partners unless otherwise stated. Please remember that past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment. Issued in the UK by Polar Capital Partners Ltd. Polar Capital Partners Limited is authorised and regulated by the Financial Services Authority.

