

# Polar Capital Partners Factsheet

## Polar Capital Technology Investment Trust Plc.

29 December 2006

|                                      |                               |                          |                   |  |  |
|--------------------------------------|-------------------------------|--------------------------|-------------------|--|--|
| <b>Price:</b>                        |                               | <b>Fund Particulars:</b> |                   | <b>Portfolio Analysis:</b>   |  |
| Share Price                          | 238.75.                       | Management:              | Polar Capital LLP | <b>Gearing: 111.46%</b>  |  |
| NAV per Share                        | 240.87                        | Sales/Marketing:         | +44 207 227 2709  | 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. |  |
| Discount (calculated on diluted NAV) | -0.88                         | Lead Manager:            | Ben Rogoff        |  |  |
| Net Yield                            | N/A                           | Established              | December 1996     |  |  |
| Gross Total Assets                   | £376m                         |                          |                   |  |  |
| Management Fee                       | 1%p.a<br>plus performance fee |                          |                   |  |  |

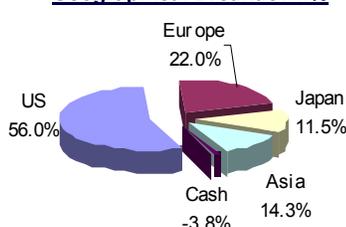
### Top Ten Holdings

|                        | %            |
|------------------------|--------------|
| Renesola               | 3.80         |
| Zeon                   | 1.68         |
| Taiwan Semicon         | 1.66         |
| Aveva Group            | 1.62         |
| Nitto Denko            | 1.53         |
| Keyence                | 1.40         |
| Network Appliance      | 1.35         |
| Broadcom               | 1.35         |
| Google                 | 1.35         |
| KLA Tencor             | 1.33         |
| <b>Total Top Ten :</b> | <b>17.07</b> |

### Sector Breakdown

|                        | %    |
|------------------------|------|
| Semi Conductors        | 24.8 |
| Software               | 14.9 |
| Other Sectors          | 12.3 |
| Healthcare             | 9.4  |
| Computing              | 8.9  |
| Services               | 8.4  |
| Comms Eq (ex wireless) | 6.7  |
| Electronic Components  | 4.6  |
| Wireless               | 4.0  |
| Consumer               | 2.9  |
| Defence                | 2.7  |
| Telecoms/Media         | 0.4  |

### Geographical Breakdown%



### Market Cap

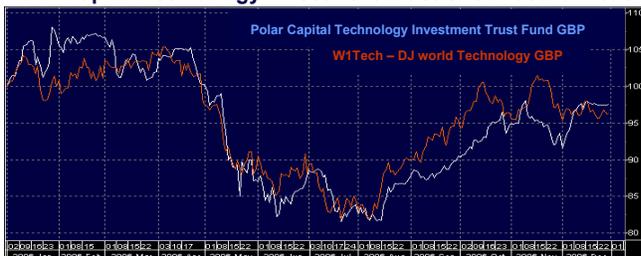
|                  | %    |
|------------------|------|
| Large(> \$10bn)  | 35.4 |
| Medium(\$1-10bn) | 40.1 |
| Small (<\$1bn)   | 24.5 |

### Performance Over:

|                    | 1yr(%) | 3yrs(%) |
|--------------------|--------|---------|
| Share Price        | -2.35  | 46.70   |
| NAV Diluted        | -0.78  | 28.63   |
| FT/S&P World Index | 4.27   | 34.28   |

All figures capital performance only; Source HSBC

### Polar Capital Technology Investment Trust Over Past 12 Months



Dec Jan Feb Mar Apr May June July Aug Sep Oct Nov Dec  
2005 Source: Bloomberg, PCT LN - PCTT SHARE PRICE v.s. WITECH Index, GBP. 2006

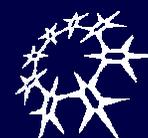
### Manager Comment

Equities made further gains during December with the FTSE World Index rising 2.6% in Sterling terms as a result of more positive macroeconomic data, and dovish FOMC commentary following their decision to keep US rates on hold. Technology indices underperformed somewhat, the Dow Jones World Technology Index rising just 0.3 % over the period as disappointing earnings from Oracle led to some profit taking in the sector following a strong post-July run. In a reversal of recent trends, Japanese and European issues comfortably outperformed their US peers. Sub-sectors that had performed well in recent months fared poorest in December, with semiconductor and biotech stocks lagging.

Over the period we modestly increased our leveraged position via further investment in Taiwan reflecting our positive view on the semiconductor cycle and prospects for continued re-rating. Our US and European weightings remained relatively unchanged.

Looking into 2007, there is much to be upbeat about. The overall landscape remains supportive of equities; US growth may well be abating but so too are the inflationary impulses that represent the greatest risk to an orderly end of the current rate cycle, and therefore by extension, our upbeat prognosis. Whilst a number of factors such as rising energy prices and decelerating US growth may provide justification for corrections from time to time, we believe a US recession remains a low probability event and as such equities look good value. Continued tight credit spreads will likely ensure further M&A activity that in turn should underpin current valuations. Near-term, a number of our indicators look a little less positive, not surprising given the strength in most markets post July. However, we anticipate adding to our leveraged position should weakness occur early in 2007.

Ben Rogoff, 5th January 2007



**Investment Rational:** 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.

**Approach:** Polar Capital Partners 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

### **Polar Capital Technology 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. Today's Polar technology team comprises six investment professionals:

#### **Polar Capital Technology Investment Trust Lead Managers:**



#### **Ben Rogoff – Fund Manager**

In May 2006, he took over the responsibility for managing the portfolio following three successful years running the US portfolio.

Ben has been a technology specialist for over ten 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.



#### **Craig Mercer – Deputy Manager**

In May 2006 Craig became the Deputy Manager of the Trust.

Craig has nine years fund management experience. He joined Scottish Equitable (later Aegon) in 1997 after gaining an economics degree from York University. He was responsible for the Aegon Japan OEIC. At Polar he focuses on Japanese technology stocks working closely with the Polar Capital Japan team.

#### **Technology Investment Management Team:**

#### **Brian Ashford-Russell – Founder/Director of Polar Capital Partners**

Remains on the trust board and is responsible for asset allocation strategy for the trust.

Brian 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 had 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 –Fund Manager (Founder/Director of Polar Capital Partners)**

Began his career at Prolific as a trainee US fund manager in 1987. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap technology companies. Tim left with Brian to establish Polar Capital Partners in 2001

#### **Emma Parkinson - Analyst**

Emma has worked with Brian and Tim for the last fifteen years as a European technology analyst, initially at Henderson and at Polar Capital from its formation. Prior to this she was an US small cap specialist with Touche Remnant and Charterhouse Bank.

#### **Diana MacAndrew - Analyst**

Diana graduated from Durham University in 2000 and has been employed at Polar Capital since its inception in January 2001. She is responsible for coverage of the global semiconductor sectors.

**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 LLP. Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the Financial Services Authority. A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP

