

31 December 2008

Fact sheet

Fund Manager Comment

Market Performance

Global equity markets rallied strongly into the calendar year end as investor put a line under a dire 2008 and looked towards a possible rebound for both markets and the global economy in 2009. The FTSE World Index rose 10.5% during December, although positive returns were significantly augmented by pronounced Sterling weakness, particularly against the Euro (-13.7%) and the Yen (-10%). Whilst corporate news flow remained poor, equities responded positively to further oil price weakness, credit market improvement and the announcement of a significant expansion of President-Elect Obama's stimulus package. As risk appetite improved, so too did market breadth with small-caps meaningfully outperforming their larger-cap peers during the month.

Technology Performance

The technology sector underperformed, the Dow Jones World Technology Index rising 9.2% in Sterling terms during the month. This underperformance was largely passive, reflecting the fact that US equities trailed their global peers (in Sterling terms) during December. In most markets, technology stocks actually outperformed as investors began to rotate away from defensive sectors in favour of earlier cycle companies such as semiconductors, which outperformed despite a slew of negative data points. As we head into Q4 earnings season, we expect corporate news flow to remain poor as visibility continues to deteriorate, reflecting the global economic slowdown. The worst news is likely to be reserved for upstream companies that are currently experiencing a supply response that well exceeds the actual change in end demand seen thus far.

Outlook

As we have previously opined, we do not expect the current crisis to prove as significant as either the Great Depression, or the Japanese deflationary experience. As such we believe that equities represent compelling value for longer-term investors who are prepared to ride out the volatility associated with a bottoming process that we think we are currently in. Whilst we do not expect the real economy to improve in the near term, we suspect that continued improvement in credit markets - a result of burgeoning money supply and central bank intervention - will lead investors to approach 2009 with more of a 'glass half full' mentality. In addition to credit market improvement, we are also emboldened by the fact that 2009 earnings expectations have fallen significantly, although we expect revisions to be lowered further during Q4 earnings season. However, the fact that markets and stocks have been responding positively to recent negative developments suggests that investors have begun to discount further near-term earnings deterioration.

Turning to technology, we believe that the sector is likely to provide leadership in 2009 and beyond as the global economy stabilises (albeit at depressed levels) and markets become less dysfunctional. Having experienced one of the most muted IT capex expansions in recent history, there is little in the way of unwanted capacity that might have disrupted the positive relationship between corporate profits and IT spending. Relative valuations are compelling, particularly when the sector's balance sheet strength is taken into account. With generalist investors underweight a sector that has a good record of outperforming post recessionary lows, we think the relative risk-reward of owning technology stocks today is exceptional.

Ben Rogoff, 7th January 2009

Trust Facts

Share Price (p)	143.00
NAV per Share (p)	186.56
Discount (%)	-23.35
Total Investments (£m)	238
Borrowing (£m)	-31
Gearing (%)*	88.56
Capital Structure	128,758,914 Ordinary shares of 25p

* The gearing ratio is calculated by dividing total assets by net assets. The calculation ignores the effect of cash or fixed interest holdings.

Trust Characteristics

Launch Date	16 December 1996
Lead Manager	Ben Rogoff
Deputy Manager	Craig Mercer
Year End	30 April
Results Announced	Mid June
Next AGM	July 2009
Continuation Vote	2010 AGM; every 5 years
Listed	London Stock Exchange

Benchmark

Dow Jones World Technology Index (Total Return)
(from 1 May 2006)

Fees*

Management Fee	1.00%
Performance Fee	15% over Benchmark
Total Expense Ratio (historic)	1.31%

* Further details can be found in the Report & Accounts

Trust Overview

Objective

The investment objective is to maximize capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

Investment Rationale

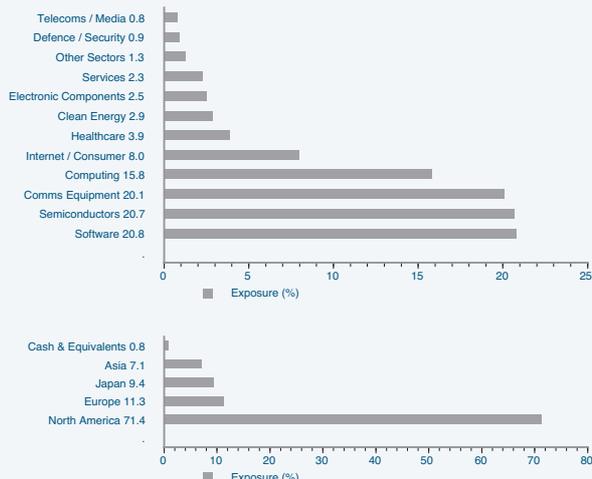
Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new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

Full details of the Investment Objective, Rational and Strategy are available on the company's website.

Approach

Polar Capital 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.

Sector & Geographic Exposure (%)



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Total Number of Holdings 113

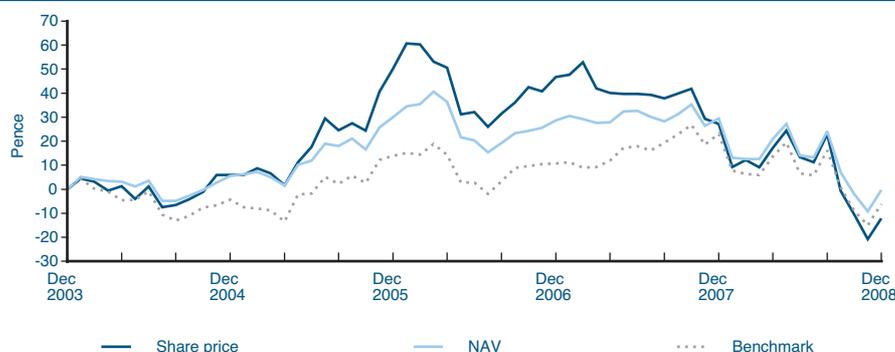
Top Ten Holdings (%)

Company	Exposure (%)
Microsoft	4.6
Oracle	4.6
Google	4.5
Intel	4.3
Cisco Systems	4.3
Apple	4.2
Qualcomm	4.2
Hewlett-Packard	3.6
International Business Machines	2.9
Nokia	2.8
Total	40.0

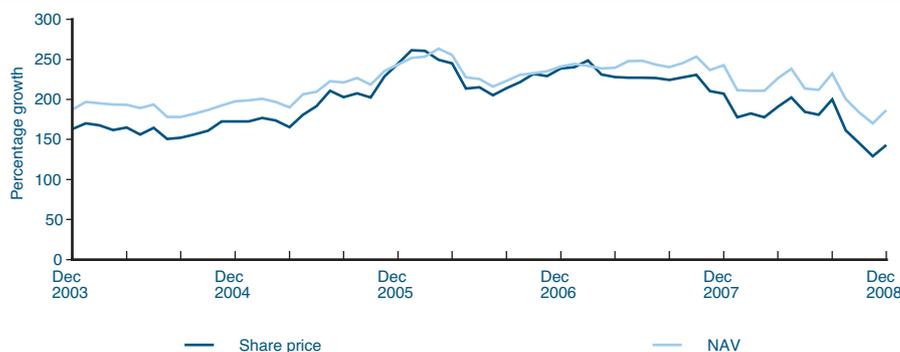
Market Capitalisation Exposure (%)

Market Capitalisation	Exposure (%)
Large (greater than US\$ 10bn)	65.4
Medium (US\$ 1bn to 10bn)	24.7
Small (less than US\$ 1bn)	9.9

Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 31/12/2008

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	10.85	-11.46	-22.49	-30.92	-12.14
NAV per Share	9.76	-6.85	-12.59	-23.07	-0.37**
Benchmark	10.56	-6.76	-11.98	-23.74	-6.12

Discrete Annual Performance (%)

	31/12/07 31/12/08	29/12/06 31/12/07	30/12/05 29/12/06	31/12/04 30/12/05	31/12/03 31/12/04
Share Price	-30.92	-13.29	-2.35	41.74	5.99
NAV per Share	-23.07	0.69	-1.04	23.16	5.53
Benchmark	-23.74	11.14	-2.70	18.92	-4.27

Source: Lipper & HSBC Securities Services (UK) Limited, percentage growth, total return

**Not Adjusted for warrant exercise in September 2005. NAV per share performance is calculated on the basis of diluted NAV for the entire period.

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Polar Capital Technology Investment Management Team

Polar Capital Technology Trust is managed by the Polar Capital technology team. Polar Capital was established by the senior technology fund managers previously responsible for Henderson's specialist technology funds. Today's Polar Capital technology team comprises of six investment professionals.

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 at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 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 Capital he focuses on Japanese technology stocks, working closely with the Polar Capital Japan team.

Technology Investment Management Team:

Nick Evans - Fund Manager

Nick recently joined Polar Capital and has 8 years experience as a technology specialist. He was previously Head of Technology at AXA Framlington where, since August 2001, he had been lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. He started his career as an IT graduate trainee at Lloyds TSB. He graduated from Hull University with a degree in Economics with Business Economics in 1994.

Fatima Iu - Analyst

Fatima joined Polar Capital in April 2006 after working as an analyst with Citigroup Asset Management for 18 months. She graduated from Imperial College London in 2002.

Brian Ashford-Russell - Founder/Director of Polar Capital

Brian was head of the technology team at Henderson Global Investors (and prior to that Touche Remnant) from 1987 until his resignation in September 2000 to set up Polar Capital. He has been the appointed fund manager of Polar Capital Technology Trust plc, previously named Henderson Technology Trust and its predecessor TR Technology, since TR Tech's launch in 1988. He also managed the Henderson Global Tech Unit Trust from its launch in 1984 to 1996 as well as co-managing the Seligman Global Tech and Mackenzie Universal Science & Tech funds.

Tim Woolley - Founder/Director of Polar Capital

Tim began his career as a systems analyst for two leading financial service companies. He then joined Prolific as a trainee US fund manager in 1987 and was promoted to lead manager of the technology fund in 1993. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap companies. Tim left with Brian to establish Polar Capital in 2001.

How to Invest

Market Purchases

The shares of Polar Capital Technology Trust PLC are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

The company has arranged for Shareview Dealing, a telephone and internet share sale service offered by Equiniti to be made available.

Tel: 0870 850 0852
Online: www.shareview.co.uk/dealing

Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme and an ISA administered by BNP Paribas Fund Services, by contacting:

BNP Paribas Fund Services UK Ltd (Polar Capital)
Block C, Western House
Lynchwood Business Park
Peterborough, PE2 6BP

Tel: 0845 358 1109
Fax: 01733 285 822

Registered Office

4 Matthew Parker Street, London SW1H 9NP

Custodian

JP Morgan Chase NA acts as global custodian for all the Company's investments.

Registrar

Equiniti
The Causeway, Worthing, West Sussex BN99 6DA
www.shareview.co.uk

Codes

London Stock Exchange	PCT
Reuters	PCT.L
Bloomberg	PCT.LN

Website

www.polarcapitaltechnologytrust.co.uk

All data as at 31 December 2008 unless otherwise stated. All sources Polar Capital 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. This factsheet is issued in the UK by Polar Capital LLP and information provided is to the best of our knowledge and a fair representation of the fund. 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