

29 February 2008

Fact sheet

Fund Manager Comment

Market Performance

Major markets were unable to recover ground lost in January with stocks edging lower during the month, the FTSE World Index falling 0.2% in Sterling terms. Negative returns in both the US and Europe were ameliorated by Sterling weakness, exacerbated by the Bank of England decision to cut base rates by 0.25%. Asian markets outperformed with both Korea and Taiwan generating strong positive returns, whilst Japan finished modestly lower. US macroeconomic data remained firmly skewed to the downside with ISM services data pointing to economic contraction whilst disorderly conditions in credit markets continued as a rescue deal for the bond insurers failed to materialise and subprime-related writedowns continued apace. US bond yields only fell modestly as soaring commodity prices - in particular oil, which rose more than 10% - began to negatively impact inflation expectations.

Technology Performance

Whilst Q4 earnings season remained relatively robust, additional cautious commentary from Cisco Systems spooked investors who continued to pare their sector exposure. As a result, the Dow Jones World Technology Index modestly underperformed during the month, falling 1.3% in Sterling terms. Nonetheless, upbeat earnings reports from the likes of Hewlett Packard, Cognizant Technology and Western Digital suggested that the technology sector had generally been able (thus far) to navigate the choppy macroeconomic backdrop. A further sector positive came in the form of predatory M&A activity as a number of companies looked to take advantage of depressed share prices. This development was epitomized by Microsoft's proposed acquisition of Yahoo! at a substantial premium.

Outlook

Whilst not 'official' at this stage, it is likely that the US is in recession at time of writing, an assertion supported by ISM new orders and real two year bond yields. Despite aggressive Fed action, we expect headline data to confirm the slowdown over the coming months. As such we continue to believe that there remains a downward bias to 2008 earnings estimates that have yet to fully reflect the new macroeconomic environment. That companies are largely not yet seeing the slowdown is on one hand encouraging, but on the other, makes it even more likely that Q1 earnings season will prove disappointing. As such we have retained a modest cash position to buy further weakness should it materialize concurrent with or in anticipation of an earnings reset.

That we are not more cautiously positioned reflects the fact that the post September correction has partially priced in a 'mild' recessionary outcome. Furthermore, whilst an earnings reset appears inevitable, the magnitude of revision may prove underwhelming should strong overseas growth and favourable currency trends continue. Most importantly, we are intrigued by current valuations which certainly suggest that investors have already meaningfully discounted existing sell-side forecasts. Whilst one can never know what is or is not 'in the price', we are encouraged by the fact that Cisco stock rose following its guidance reset. We continue to anticipate technology outperformance over the full year as the differences between this and previous cycles become more apparent during the second half. Key risks to our thesis include higher energy prices / resurgent inflation / credit market dislocation stymieing the impact of central bank easing and a marked slowdown in Chinese growth.

Ben Rogoff, 6th March 2008

Performance

Cumulative Performance (%) to 29/02/2008					
	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	2.67	-13.30	-18.62	-26.63	63.68
NAV per Share	-0.44	-10.91	-12.28	-12.92	60.10**
Benchmark	-1.41	-10.37	-10.92	-2.43	42.91

Discrete Annual Performance (%)					
	29/12/06 31/12/07	30/12/05 29/12/06	31/12/04 30/12/05	31/12/03 31/12/04	31/12/02 31/12/03
Share Price	-13.29	-2.35	41.74	5.99	33.13
NAV per Share	0.69	-1.04	23.16	5.53	41.08
Benchmark	11.14	-2.70	18.92	-4.27	36.96

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.

Trust Facts

Share Price (p)	182.50
NAV per Share (p)	210.74
Discount (%)	-15.48
Total Investments (£m)	263
Borrowing (£m)	-24
Net Assets (£m)	287
Gearing (%)*	91.57
Capital Structure	133,618,914 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 2008
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

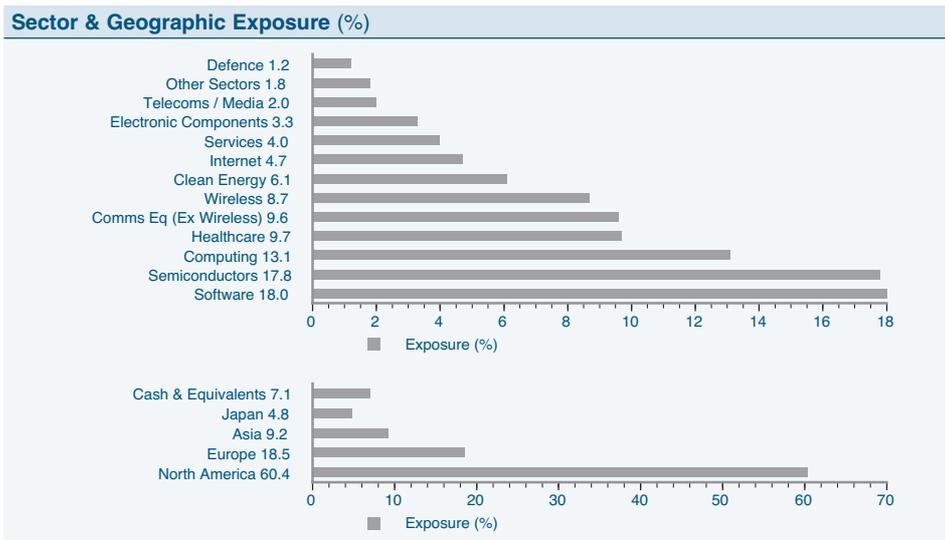
The investment objective is to maximize capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

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.

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.



Total Number of Holdings	112
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Top Ten Holdings (%)

Cisco Systems	3.3
Oracle	2.6
Qualcomm	2.6
Nokia	2.6
Apple	2.6
Google	2.5
Samsung Electronics	2.1
International Business Machines	2.1
Research In Motion	2.0
Canon	2.0
Total	24.4

Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	59.4
Medium (US\$ 1bn to 10bn)	26.5
Small (less than US\$ 1bn)	14.1

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:

Brian Ashford-Russell - Founder/Director of Polar Capital Partners

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 Partners

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 Partners in 2001.

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.

Emma Parkinson - Fund Manager

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 a US small cap specialist with Touche Remnant and Charterhouse Bank.

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.

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 29 February 2008 unless otherwise stated. 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