29 February 2012

Fact sheet

Fund Manager Comment

Market review

February saw equities continue to rally with the FTSE World Index rising 3.5% in Sterling (GBP) terms and the S&P 500 Index ending the month at a post 2008 high. Early US economic news flow was supportive with January unemployment unexpectedly falling to 8.3%, and non-farm payrolls increasing 243,000, while ISM surveys came in ahead of expectations. A robust end to Q4 earnings season provided a further tailwind, while Moody's downgrade of France, Austria and the United Kingdom was perceived to be 'behind the curve' and was largely ignored. Given the ECB's original LTRO programme is credited with stabilising the Eurozone outlook, it was hardly surprising that demand for the second tranche was an investor focus. Ultimately, uptake in excess of €500bn was strong and the success of the two tranches is apparent from the collapse in 3yr Italian sovereign yields, from a peak in excess of 7.5% in November to circa 2.5% currently. With the worst case scenario of a disorderly Eurozone break up off the table (at least for now) corporate credit spreads continued to tighten during the month providing a very supportive backdrop for equities.

Technology review

The Dow Jones World Technology Index also rose strongly during the month +5.9% in Sterling terms, comfortably outperforming global equities and confirming the sector's leadership status. Somewhat frustratingly breadth remains poor with large-cap stocks, in particular Apple, IBM, Intel and Microsoft, driving much of the outperformance. Technology Q4 earnings season remained upbeat but also continued to highlight the diverging fortunes within the sector. Cisco, Baidu, Salesforce.com, Sourcefire, Qlik and Intuit all reported strong results in stark contrast to weakness at Dell, Hewlett Packard, Ciena and Finisar. Comparing growth at Dell with Salesforce.com highlights the extent of the differential between the two groups. Whilst Dell guided revenue growth down 7% y/y (below expectations down 5.5% y/y) Salesforce.com, the largest SaaS (Software as a Service) provider, signed their first $100m multi-year deal and reported revenue +38% y/y and +57% y/y billings growth. Weakness in the optical space should not have been a huge surprise given the first quarter is a seasonally soft period when service provider budgets are set.

Outlook

The big news, in terms of headline generation during the month, was the much awaited Facebook IPO filing with early estimates of valuation stretching to $100-120bn, almost four times the level achieved by Google during its IPO. Unfortunately, while we try to capture the disruptive nature of social media stocks within our core themes, the number of high quality quoted alternatives is limited. That said, we see the IPO reinforcing our core thesis i.e. that we are in the early stages of a disruptive new technology cycle, which offers the potential for next generation companies to deliver strong secular growth even against a challenging economic backdrop.

Our recent company visits and channel checks, combined with Q4 results have only strengthened our conviction in our new cycle thesis. Although the economic backdrop is likely to remain challenging for a number of years, we believe the aversion of a worst case Eurozone outcome is enabling businesses to begin executing on the strategic transformation required to harness the immense productivity benefits of these new technologies. As a result sales pipelines for 2012 are strong and management are much more optimistic regarding the outlook than they were this time last year. The most important element is the adoption of cloud based computing architectures, which offer a step down in the cost of delivering computing and a more flexible variable cost model. This move in itself offers considerable operating expense savings in the form of real estate, power and headcount. However more significantly it also opens a “Pandora's Box” of compelling new IT products and applications to both enterprise and consumers using the Internet as a delivery mechanism and leveraging mobile networks and devices to provide ubiquitous access (without the need for extensive IT department involvement). Even incumbents such as Intel, Microsoft and Apple have very significant new product releases planned in 2012, which could act as catalysts in themselves but will also provide the foundations for innovation across the sector.

Turning to the here and now, enterprise demand appears to be robust and at the margin improving, especially across areas such as cloud, mobile, social, security, analytics and storage. Service provider spending is currently in a lull as the first phase of US 4G/LTE and Chinese 3G deployments were completed in the first half of last year. Whilst year over year growth comparisons remain difficult during the first half of 2012, we expect to see spending accelerate later in the year. Government budgets are an obvious pain point but even here there are still areas of significant growth, security and cloud being two key examples. At the same time, although consumers are under pressure, technology appears to be becoming less discretionary while higher income consumer demand is proving to be remarkably resilient (largely to Apple's benefit at this stage). Emerging markets continue to contribute to growth due to rising incomes boosting consumer interest in technology, while enterprise demand is picking up as a result of wage inflation which appears to be driving demand for IT.

After a strong start to the year, and with some of our sentiment measures at elevated if not extreme levels markets appear susceptible to a modest pullback. However, beyond that we remain bullish on equity markets and our sector which continues to look exceptionally well positioned against a backdrop of sub-par growth. We continue to favour our three core themes, namely 'Internet infrastructure', 'broadband applications' and 'mobile data' as key beneficiaries of our oft mentioned 'new cycle' thesis. Given their considerable recent underperformance (despite rampant M&A) we believe that small and mid-cap technology valuations are looking attractive and as such have begun to increase our exposure at the expense of large-caps.

Ben Rogoff, 12th March 2012

Trust Facts

Share Price (p)	388.50
NAV (undiluted) per Share (p)	390.76
Discount / Premium (%)	-0.58
Capital Structure	127,737,910 of 25p
Subscription Shares†	
Share Price (p)	12.88
Exercise Price (p)	
- Until 31 March 2012	401.00
- From 1 April 2012 to 31 March 2014	478.00
Capital Structure	25,268,292 shares of 1p
Total Net Assets (£m)	499
AIC Gross Gearing Ratio (%)*	106.00
AIC Net Gearing Ratio (%)*	97.00

*Gearing calculations are exclusive of current year Revenue/Loss

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	September 2012
Continuation Vote	2015 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)	1.16%

* Further details can be found in the Report & Accounts

** Subject to high watermark and cap

Trust Overview

Objective

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

†For full details of the subscription shares and their exercise terms please refer to the prospectus of 18 January 2011 and the notes on the company's website.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this list. A list of all recommendations made within the immediately preceding 12 months is available upon request.

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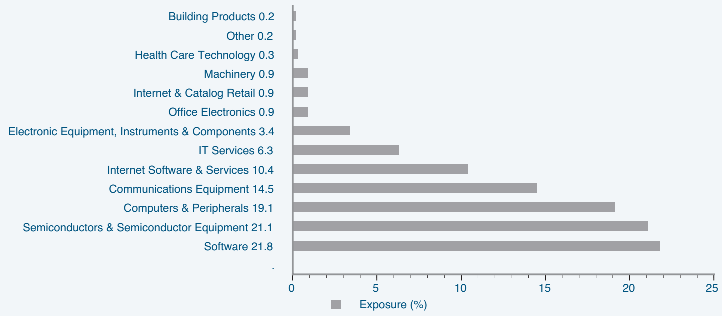
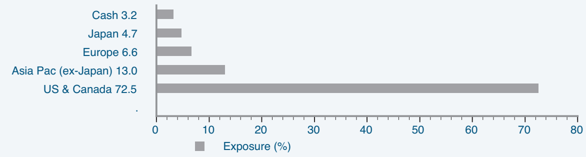
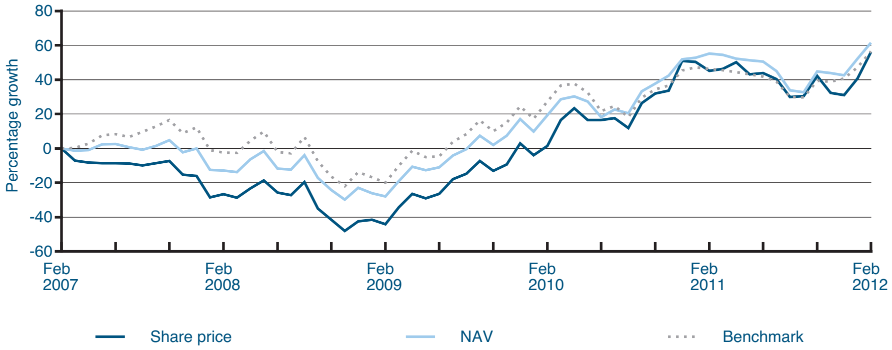
Sector & Geographic Exposure (%)

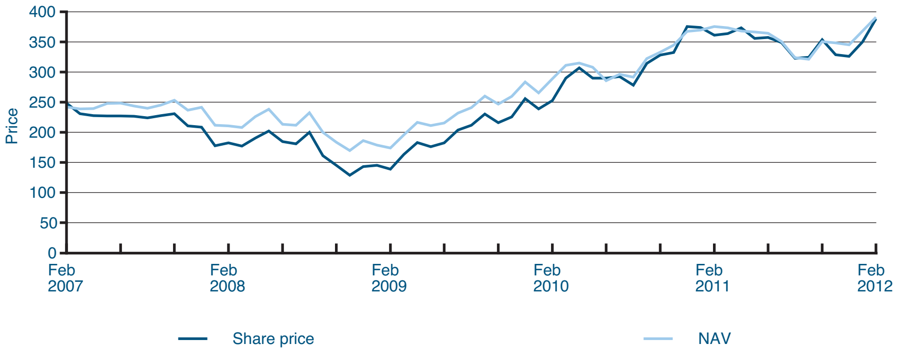




Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 29/02/2012

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	10.97	18.09	20.32	7.62	56.18
NAV per Share	6.14	12.24	20.67	4.12	61.47
Benchmark	6.25	12.69	20.41	6.89	56.41

Discrete Annual Performance (%)

	31/12/10 30/12/11	31/12/09 31/12/10	31/12/08 31/12/09	31/12/07 31/12/08	29/12/06 31/12/07
Share Price	-13.18	46.68	79.02	-31.50	-12.57
NAV per Share	-6.14	29.70	51.92	-22.80	0.34
Benchmark	-4.54	16.66	44.45	-23.23	10.39

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

Total Number of Holdings	129

Top Ten Holdings	(%)
Apple	11.9
Google	4.9
Microsoft	4.5
Samsung Electronics	3.8
Qualcomm	2.9
International Business Machines	2.6
Oracle	2.6
Cisco Systems	2.4
Intel	2.3
Taiwan Semicon Manufacturing	2.1
Total	**40.0**

Market Capitalisation Exposure	(%)
Large (greater than US$ 10bn)	69.4
Medium (US$ 1bn to 10bn)	21.6
Small (less than US$ 1bn)	9.0

Trust Overview

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

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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 four investment professionals.

Ben Rogoff - Director, Technology

Ben has been a technology specialist for fourteen years having begun his career in fund management at CMI, as a global technology 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 lead manager of Polar Capital Technology Trust plc and is also joint manager of Polar Capital Global Technology Fund. Ben graduated from St Catherine's College, Oxford in 1995.

Technology Investment Management Team:

Nick Evans - Senior Fund Manager

Nick joined Polar Capital in September 2007 and has thirteen years experience as a technology specialist. He has been lead manager of the Polar Capital Global Technology Fund since January 2008. Prior to joining Polar he was Head of Technology at AXA Framlington and lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Global Technology from Aug 2001 to July 2007 (both rated five stars by S&P). He also spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. Nick graduated from Hull University with a degree in economics.

Colin Moar - Fund Manager

Colin joined Polar Capital in January 2011, having spent 13 years covering pan-European and then Global Equity markets with the Technology sector as his main focus. He started his career at Morley Fund Management in 1997 initially covering UK/European equities before moving to their global equity team in 2002. From 2006 he took responsibility for €450m of the team's focused Global Equity funds. In January 2010 Colin joined HSBC Asset Management's Global Equity team as a Senior Fund Manager. Colin Graduated from the University of Edinburgh with a degree in Business Studies.

Fatima Iu - Fund Manager

Fatima joined Polar Capital in April 2006 after working as an analyst with Citigroup Asset Management for 18 months. She focuses on European technology stocks and has responsibility for coverage of the global medical technology sub-sector. Fatima graduated from Imperial College London in 2002 with a degree in Medicinal Chemistry.

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

House View
This document has been produced based on Polar Capital research and analysis and represents our house view. All sources are Polar Capital unless otherwise stated.

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Holdings
The top 10 positions were selected based on percentage of AUM. This portfolio data is ìas atî the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the fund. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the fundís best interest to do so. A complete list of the portfolio holdings may be made available upon request. It should not be assumed that any of the securities transactions or holdings discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. The information provided in this document should not be considered a recommendation to purchase or sell any particular security.

Benchmarks
The following benchmark index is used: Dow Jones World Technology Index (Total Return). This benchmark is generally considered to be representative of the Technology equity universe. This benchmark is a broad-based index which is used for comparative/illustrative purposes only and has been selected as it is well known and is easily recognizable by investors. Please refer to www.djindexes.com for further information on this index. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. For example, investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, the index noted in this presentation is unmanaged, are not available for direct investment, and is not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the index reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance. The information regarding the index is included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to the index in composition or risk.

Regulatory Status
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References to future returns are not promises or even estimates of actual returns Polar Capital may achieve, and should not be relied upon. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. In addition, the forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so.

Performance
Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Many factors affect fund performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment return and principal value of your investment will fluctuate, so that when your investment is sold, the amount you receive could be less than what you originally invested. Past performance is not a guide to or indicative of future results.† Future returns are not guaranteed and a loss of principal may occur. 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 sercurities or smaller companies, their potential volatility may increase the risk to the value of, an the income from, the investment. Investments are not insured by the FDIC (or any other state or federal agency), are not guaranteed by any bank, and may lose value.

Investment Process - Risk
No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable. Investors may lose all of their investments.

Allocations
The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum for a description of the investment allocations as well as the risks associated therewith. Please note that the fund may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. The actual performance of the fund will depend on the Investment Managerís ability to identify and access appropriate investments, and balance assets to maximize return to the fund while minimizing its risk. The actual investments in the fund may or may not be the same or in the same proportion as those shown herein.