Polar Capital Technology Trust PLC

F A C T S H E E T

31 July 2004

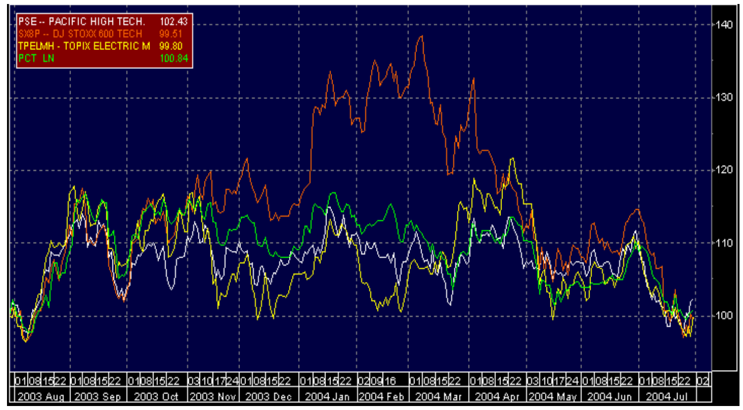
Share Price	150.50
NAV per Share (diluted)	190.68
NAV per Share (undiluted)	177.76
Discount (calculated on diluted NAV)	-15.33
Net Yield	N/A
Warrant Price*	50.25
Gross Total Assets	£255.4m
Management Fee	1.0% p.a. plus performance fee

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

PCTT Share Price & Market Indices Over Past 12 Months



July Aug Sep Oct Nov Dec Jan Feb Mar Apr May June Jul;y

2003 2004

Source: Bloomberg LP

Key: **PSE-PACIFIC HIGH TECH** **SX8P – DJ STOXX 600TECH**

TPELMH-TOPIX ELECTRIC M **PCT LN – PCTT SHARE PRICE**

Performance Over:	**1yr(%)**	**3yrs(%)**
Share Price	-1.31	-28.84
NAV Diluted	6.30	-21.27
NAV Undiluted	7.14	-7.46
FT/S&P World Index	2.35	-23.66
Warrant Price	-1.95	-55.33

All figures capital performance only; Source HSBC

Portfolio Analysis – Gearing 117.1%

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

Most markets sold off during July, the consequence of rising oil prices, mixed economic data and some disappointment with second quarter earnings. However, the falls were modest against a backdrop of deteriorating investor sentiment. In stark contrast, the technology sector plummeted suffering its worst month in well over a year. Small companies were particularly hard hit as were cyclical stocks, notably those in Asia (ex Japan).

In mid May, it had seemed likely that second quarter earnings from the technology sector would, if anything, surprise on the upside. June saw a number of somewhat less encouraging data points but none which would have indicated the degree to which actual second quarter results would disappoint best expectations. The software sector in particular experienced a wave of earnings misses while even the hitherto buoyant internet commerce companies failed, in a number of cases, to meet analysts' forecasts. Forward guidance from semiconductor companies was also below expectations and there are now more general concerns about the prospects for third quarter earnings.

It would appear that the US economy hit a pronounced "soft spot" in June and there is little evidence to suggest much of a recovery in July. This must certainly have impacted IT spending towards the end of the second quarter and it would seem that corporations remain extremely hesitant about spending their very strong cashflows. With the Presidential election campaign likely to be tightly fought, there must be some risk that capital spending plans are put on hold until the election result is determined. If so, enterprise spending is unlikely to take up the baton of leadership from the consumer over the next three months. This suggests the potential for further earnings downgrades over the next quarter, a backdrop against which a sustained rally in technology shares may be hard to achieve.

The disappointing earnings announcements during the first week of July led us to take a more defensive stance throughout the portfolio. In particular, we reduced our cyclical and Asian exposure, allowed our liquidity to increase and re-emphasised our focus on valuations and free cashflow.

Investor sentiment has deteriorated markedly and is beginning to approach levels of pessimism which may give rise to a rally in share prices. However, given the outlook for the third quarter, we think it sensible to wait for all our indicators to be lined up favourably before markedly reducing our cash positions. We still anticipate a more pronounced rally in technology shares later this year but expect it to be concentrated into the last few months of 2004.

Brian Ashford-Russell, 5th August 2004

Top Ten Equity Holdings	%
Linear	1.6
Maxim	1.6
Qualcomm	1.5
LG Philips	1.5
Wincor	1.3
Samsung	1.3
Zeon	1.3
Tietoenator	1.3
Nitto Denko	1.2
Atos Origin	1.2
Total	%

Sector Breakdown	%
Computing	9.3
Consumer	6.4
Communication Equipment ex wireless	5.6
Semiconductor/SPE/EMS	17.0
Services	10.8
Software	18.0
Telecom/Media	0.3
Wireless	4.2
Healthcare	16.9
Electronic Components	2.5
Defence	3.1
Other Sectors	5.9

Geographical Breakdown	%
North America	46.6
Europe	21.7
Asia ex Japan	7.5
Japan	8.7
Cash/Bonds (net of borrowings)	15.5

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 to1998. 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.

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.