



## 31 March 2004

Share Price	161.75
NAV per Share (diluted)	193.62
NAV per Share (undiluted)	207.75
Discount (calculated on diluted NAV)	-16.5
Net Yield	N/A
Warrant Price*	62.50p
Gross Total Assets	£358.4m
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

Performance Over:	1yr(%)	3yrs(%)
Share Price	43.78	-28.90
NAV Diluted	48.41	-9.57
NAV Undiluted	53.10	-11.73
FT/S&P World Index	22.74	11.91
Warrant Price	160.42	-50.98

All figures capital performance only; Source HSBC

**PCTT Share Price & Market Indices Over Past 12 Months**



Source: Bloomberg LP

Key: **MLO**-MERRILL LYNCH USA TECH 100  
**JSDA**-JASDAQ JAPAN INDEX

**ENMPR** – EURO NM INDEX  
**PCT LN** – PCTT SHARE PRICE

### Portfolio Analysis – Gearing 114.9%

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.

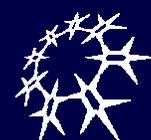
## Manager Comment

Disappointment with the “job-less” nature of the US economic recovery and the terrorist attacks in Spain combined to produce a volatile month for Western equity markets in which share prices, at one point, moved sharply lower. Although a degree of recovery was experienced late in March, European and US markets ended the month lower. In contrast, growing optimism about the prospect of a sustainable economic recovery in Japan produced a sharp rise in the Nikkei together with a markedly stronger yen.

Technology shares followed Western markets lower with European share prices under particular pressure. Concerns about the sustainability of the US recovery led cyclical technology shares to underperform and profit taking produced some sharp falls in the communications sector. However, fundamentals continued to strengthen with a number of companies raising first quarter guidance.

We raised some liquidity early in the month although a portion of this was reinvested as the major technology indices retreated to test their longer term trend lines. We still believe that the sector is likely to rally into first quarter results and there have been some encouraging data points in recent weeks which suggest gathering upward momentum in capital spending. The March sell-off in markets did much to unsettle the mood of complacency that had emerged and the month saw a sharp increase in the NASDAQ short interest ratio. Consequently, while valuations remain quite full and economic and corporate earnings momentum is likely to peak in the second quarter, the short term path of least resistance for stocks remains upwards. The next month or two may see higher share prices accompanied by renewed complacency and a greater supply of new equity. If so, it will be time to adopt a more defensive stance.

Brian Ashford-Russell, 6<sup>th</sup> April 2004



Top Ten Equity Holdings	%	Sector Breakdown	%
Samsung	1.5	Computing	11.4
Venture	1.5	Consumer	7.4
NEC	1.5	Communication Equipment ex wireless	6.0
Genentech	1.4	Semiconductor/SPE/EMS	26.2
Nokia	1.3	Services	8.7
Nintendo	1.3	Software	14.3
Sankyo Seiki	1.2	Telecom/Media	1.1
Qualcomm	1.2	Wireless	5.8
Hon Hai	1.1	Healthcare	12.8
Yahoo	1.1	Electronic Components	0.5
		Defence	2.1
		Other Sectors	3.7
<b>Total</b>	<b>13.1%</b>		

Geographical Breakdown		%
North America		46.7
Europe		24.1
Asia ex Japan		8.8
Japan		11.4
Cash/Bonds (net of borrowings)		9.0

### 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 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:** 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 segment 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.**

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 Partners Ltd. Polar Capital Partners Limited is authorised and regulated by the Financial Services Authority.

