

### Price:

Share Price	227.25p
NAV per Share	247.86p
Discount (calculated on diluted NAV)	-8.30%
Net Yield	N/A
Gross Total Assets	£384.80m
Management Fee	1%p.a
	plus performance fee

### Fund Particulars:

Management:	Polar Capital LLP
Sales/Marketing:	+44 207 227 2709
Lead Manager:	Ben Rogoff
Established	December 1996

### Portfolio Analysis:

#### Gearing: 110.90%

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.

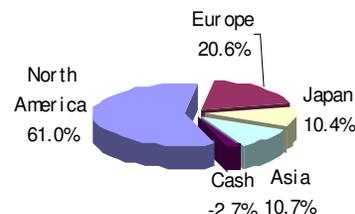
### Top Ten Holdings

	%
Renesola	2.96%
Tokyo Seimitsu	2.42%
Advantest	2.12%
Motech	2.06%
Apple Computers	1.90%
Google	1.88%
Nitto Denko	1.75%
Nidec	1.51%
Zeon	1.49%
DST Systems	1.40%
<b>Total Top Ten :</b>	<b>19.49%</b>

### Sector Breakdown

	%
Semiconductors	23.50%
Other Sectors	16.50%
Software	14.20%
Healthcare	8.20%
Services	7.90%
ComsEq (Ex Wireless)	7.60%
Computing	7.60%
Electric Components	4.90%
Wireless	3.30%
Defence	2.70%
Consumer	2.50%
Telecoms/ Media	1.10%
Futures and Options	0.00%

### Geographical Breakdown%



### Performance Over:

	1yr(%)	3yrs(%)
Share Price	6.40	45.40
NAV Diluted	8.90	28.40
DJ World Technology Index	13.90	22.70

All Figures capital performance only; Source HSBC

### Market Cap

	%
Large(> \$10bn)	28.10
Medium(\$1-10bn)	46.10
Small (<\$1bn)	25.70

### Polar Capital Technology Investment Trust Over Past 12 Months



May June July Aug Sep Oct Nov Dec Jan Feb Mar Apr May  
2006 Source: Bloomberg, PCT LN - PCTT SHARE PRICE v.s. W1TEC Index, GBP. 2007

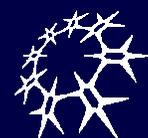
### Manager Comment

Equities added significantly to year-to-date gains during the period, the FTSE World Index rising 3.9% in Sterling terms. Softer readings in both March and April gave way to more encouraging macroeconomic data, with both inflation (CPI, PPI) and growth (ISM non-manufacturing, confidence numbers, purchasing surveys) surprising positively. Whilst US housing remains problematic, reported numbers suggest that the doomsayers' contagion bear case remains wide of the mark. The meaningful negative revision to Q1 GDP was brushed aside as investors gained confidence from a better than expected earnings season, an apparently dovish (non) rate decision, lower oil prices and (further) acceleration in M&A activity. In Europe, especially in the UK, inflation remains less well contained, but positive economic news and strong liquidity combined to drive stocks higher. Asian markets also registered gains during the period, with particularly strong performances from previous laggards, Taiwan and Korea.

Technology stocks modestly outperformed the broader market, the DJ World Technology Index rising 4.5% in Sterling terms. At the sub-sector level returns were skewed in favour of internet and telecom equipment stocks at the expense of storage and semiconductor companies where news-flow remains mixed. Microsoft's decision to pay an 80% premium for Aquantive, an e-marketing company served to remind investors how difficult it is for legacy companies to overhaul those with 'early-mover' advantage. Strong performances over the period from the likes of Salesforce.com (+12.4%) and Seloger.com (+21%) therefore not only reflected better fundamentals but enhanced scarcity value in what is likely to be seen as an early stage in an ongoing internet land-grab. Elsewhere M&A activity continued to significantly underpin markets with a number of good-sized companies being acquired by both private equity (Avaya, CDW, Ceridian) and trade buyers (Solectron).

Whilst our base case remains largely unchanged, markets do look somewhat extended given their recent ascent. Moreover, the better than expected data that has helped lift equities has been at the expense of bond yields, which have risen c.25-30 basis points in a number of sovereign markets. With US 10 year rates approaching 5% at time of writing, the risk of a short sell-off has become more pronounced. With this in mind, we have pared back our net negative cash position, which should afford us some 'firepower', should markets consolidate somewhat. Whilst our semiconductor call has so far proved premature, we remain convinced that it is the right one. Positive noises in end markets as diverse as PCs, handsets, LCD televisions and telecom equipment suggest that demand is finally picking up; with supply conditions already in place this is the remaining (and so far elusive) ingredient for the semiconductor upcycle to commence.

Ben Rogoff 10.6.07



**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.

### **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 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 fund management at CMI as a global tech 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.



#### **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 from York University. He was responsible for the Aegon Japan OEIC. At Polar he focuses on Japanese technology stocks, working closely with the Polar Capital Japan team.

### **Technology Investment Management Team:**

#### **Brian Ashford-Russell - Director & Founder 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 - Director & Founder 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.

#### **Emma Parkinson - Fund Manager**

Emma has worked with Brian and Tim since 1996 as a European technology analyst, initially at Henderson and at Polar Capital from its formation. Prior to this, she was an American small cap specialist with Touche Remnant and Charterhouse Bank.

#### **Fatima lu - 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.

**Polar Capital Technology Trust is an investment trust listed on the London Stock Exchange.**

All sources Polar Capital Partners unless otherwise stated. Polar Capital Global Technology Absolute Return Fund is not suitable for private investors. It is not a recognized scheme under s.76 of the Financial Services Act 1986 and its promotion is restricted to market professionals or to persons permitted by the Financial Services (Promotion of Unregulated Schemes) Regulations 1991. 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 regulated by the FSA.

