

28 May 2010

Fact sheet

Fund Manager Comment

Market review

May was a miserable month for equity investors with macro fears presaging a jump in risk aversion, which drove equities sharply lower. Pronounced Sterling weakness (the Pound falling c. 5% and c. 8% versus the US Dollar and Japanese Yen respectively) meaningfully ameliorated the impact of lower markets, the FTSE World Index falling 5.3% in Sterling terms during the month. The Euro was particularly weak as the sovereign debt crisis facing Greece and Spain escalated and Eurozone contagion fears increased. There was a brief respite as equity markets jumped sharply following the announcement of a proposed E750bn ECB bailout, but gains proved short lived as it became clear that Eurozone growth expectations would need to be revised lower to reflect the impact of fiscal tightening. Additional negatives came in the form of the deteriorating oil spill in the Gulf of Mexico, the introduction of US financial reform legislation and attempts by China to restrain asset price inflation. These impulses clearly impacted growth expectations leading to sharply lower ten- year US Treasury yields. As such it was hardly surprising that company fundamentals were overlooked during the month, although it should be noted that a strong US first quarter earnings season continued to drive positive estimate revisions.

Technology review

The technology sector marginally outperformed the broader market during the month, the Dow Jones World Tech Index falling 4.2% in Sterling terms. Whilst earnings season was already largely complete, those companies that reported late continued the trend of solid results with Cisco and Hewlett Packard reporting strong numbers amid upbeat commentary. Dell also beat expectations but this was offset by margin pressures. Data points were mixed, with some signs of order cancellations in the Asian PC food chain, and one company (Blue Coat) significantly reducing guidance blaming a slowdown in Europe. With investors already nervous due to macroeconomic concerns, semiconductor and cyclical stocks sold off aggressively, reflecting concerns that earnings estimates for the second half of the year may be too high. M&A activity continued with SAP's acquisition of Sybase (at a generous 56% premium) epitomising our sense that incumbents need to acquire in order to maintain their earnings growth profiles now that cost-cutting is largely complete. This dynamic helped small-caps outperform, further aided by Dollar strength which is becoming a top-line headwind for many large-cap US companies.

Outlook

The combination of weaker markets and rising earnings resulted in further PE compression during the month, leaving the S&P trading on c.13x consensus 2010 earnings. This appears reasonable to us, given the lack of inflationary pressures and the likelihood of "exceptionally low interest rates for an extended period of time". However, the past month has given investors a 'sneak preview' of the downside risks to global growth once fiscal tightening becomes more prevalent. Whilst this may result in above-average volatility going forwards, we think that below trend global growth should result in a renewed focus on technology spending as companies need to 'do more with less'. Although we acknowledge that many incumbent companies are trading cheaply, we continue to favour next-generation alternatives with little to defend and much to gain from a disruptive new cycle. With global equities back at/around their two-hundred day moving averages, the technology sector trading at a market multiple for the first time since the 2009 lows and investor sentiment having sharply reset we have returned to a fully invested stance. This has been achieved by increasing our US small-cap exposure reflecting a superior growth trajectory and M&A activity that should continue to support valuations.

Ben Rogoff, 7th June 2010.

Trust Facts

Share Price (p)	289.90
NAV per Share (p)	307.80
Discount (%)	-5.81
Total Net Assets (£m)	388
AIC Gross Gearing Ratio (%)*	108.00
AIC Net Gearing Ratio (%)*	100.00
Capital Structure	126,497,914 Ordinary shares of 25p

*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	July 2010
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

** Subject to high watermark

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.

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

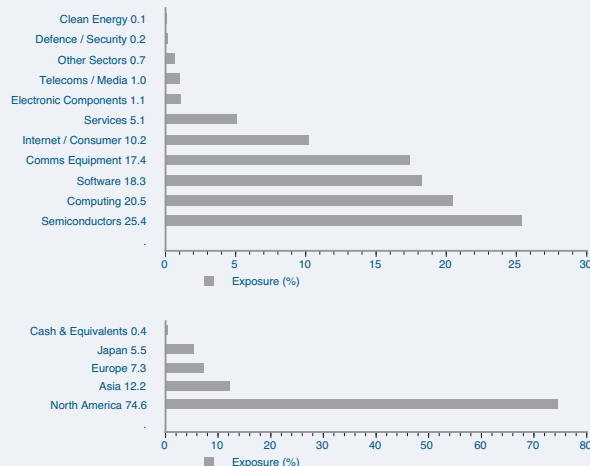
Polar Capital selects companies for their potential for generating capital growth, not on the basis of technology for its own sake. We believe in rigorous fundamental analysis and focus on: management quality, the identification of new growth markets, the globalisation of major technology trends, and exploiting international valuation anomalies and sector volatility.

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 (%)



Total Number of Holdings 107

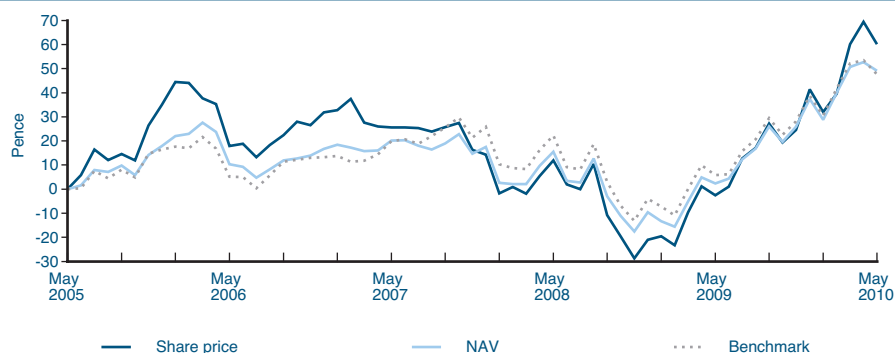
Top Ten Holdings (%)

Company	Exposure (%)
Apple	8.1
Microsoft	5.1
Google	4.2
Cisco Systems	3.9
Intel	3.5
International Business Machines	3.1
Oracle	2.7
Samsung Electronics	2.4
Hewlett-Packard	2.4
Canon	1.8
Total	37.2

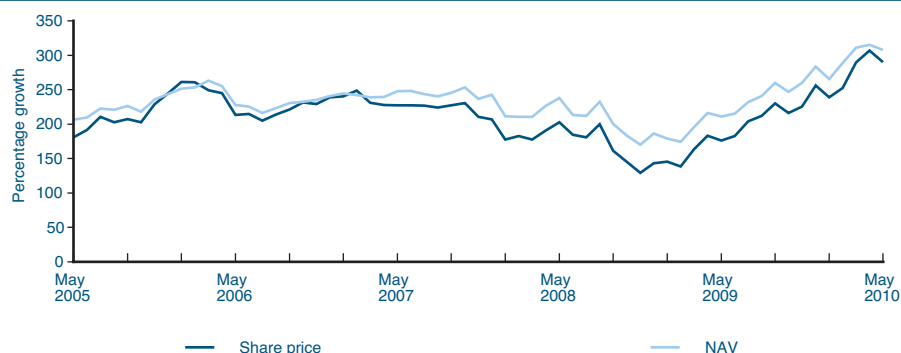
Market Capitalisation Exposure (%)

Market Capitalisation	Exposure (%)
Large (greater than US\$ 10bn)	64.5
Medium (US\$ 1bn to 10bn)	22.7
Small (less than US\$ 1bn)	12.8

Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 28/05/2010

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	-5.51	14.81	28.56	64.48	60.17
NAV per Share	-2.32	6.60	18.48	45.74	49.18**
Benchmark	-3.75	4.20	15.28	39.65	47.68

Discrete Annual Performance (%)

	31/03/09	31/03/08	30/03/07	31/03/06	31/03/05
	31/03/10	31/03/09	31/03/08	30/03/07	31/03/06
Share Price	77.25	-7.89	-23.16	-7.32	43.66
NAV per Share	58.94	-6.05	-12.77	-9.27	33.82
Benchmark	52.05	-7.69	-3.00	-8.10	30.41

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.

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Fact sheet

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



Ben has been a technology specialist for twelve 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. He is lead manager of Polar Capital Technology Trust plc, with responsibility for the management of Polar Capital's US technology portfolios. He is also joint manager of Polar Capital Global Technology Fund. Ben graduated from St Catherine's College, Oxford in 1995.

Craig Mercer - Deputy Manager



Craig joined Polar Capital in 2002 from Scottish Equitable (later Aegon) where he managed their Japan OEIC. Craig is deputy manager of Polar Capital Technology Trust plc and is responsible for coverage of Asian technology and global alternative energy stocks. Craig has an Economics degree from York University.

Technology Investment Management Team:

Nick Evans - Fund Manager

Nick joined Polar Capital in September 2007 and has eleven years experience as a technology specialist. He was previously Head of Technology at AXA Framlington and Citywire 'A' rated. He was lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology (both rated five stars by S&P) between Aug 2001 and July 2007. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. Nick has an Economics degree from Hull University.

Fatima lu - Analyst

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 Masters in Chemistry.

Brian Ashford-Russell - Founder/Director of Polar Capital

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.

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 "as at" 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 fund's best interest to do so. A complete list of the portfolio holdings are 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

This document is Issued in the UK by Polar Capital. 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

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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 securities or smaller companies, their potential volatility may increase the risk to the value of, and 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 Manager's ability to identify and access appropriate investments, and balance assets to maximise return to the fund while minimising its risk. The actual investments in the fund may or may not be the same or in the same proportion as those shown herein.