

29 November 2013

Fact sheet

Fund Manager Comment

Market performance

Sterling strength offset modest equity market gains amid better than expected economic data and an unexpected ECB rate cut, the FTSE World Index declining 0.6% in sterling terms. US macroeconomic data took on a more positive hue with headline Q3 GDP coming in ahead of forecast (2.8% vs. 2.5% expected), supported by upbeat October nonfarm payrolls and industrial production that only contracted by 0.1% despite the partial government shutdown. Better than expected economic data trumped dovish commentary from Fed Chairwoman-elect Janet Yellen at her confirmation hearing, ten year US Treasury yields reaching 2.74% by month-end. However, in contrast with previous bouts of earlier tapering fear, the US equity market shrugged off higher sovereign yields, the S&P exceeding 1,800 for the first time ever during the month. European equities also eked out gains following the ECB's surprise 0.25% base rate cut, while Asia ex-Japan trailed. The new Chinese leadership presented its reform plan following its Third Plenum, which appeared to be well received, although some investors may have been hoping for a quicker remedy to slowing growth. This, together with the US and Iran reaching an agreement of sorts over the latter's nuclear programme, took its toll on oil prices that fell a further 4% during the month.

Technology performance

The technology sector outpaced the broader market aided by strong US market performance, the Dow Jones World Technology Index gaining 1.1% in sterling terms during November. Newsflow (and stock performances) were extremely mixed in November as third-quarter earnings season entered its final weeks. Cisco Systems became the latest casualty of emerging market/macroeconomic headwinds when it guided calendar Q4 revenues more than US\$1bn below expectations. Emerging market weakness also caught out a number of other high fliers including Dassault Systems and Aveva, while Intel disappointed some investors at its analyst day by failing to reign in its capital spending plans and acknowledging its limited success thus far in penetrating smartphone and tablet markets (the latter now requiring an aggressive US\$800m 'subsidy' programme to aid adoption in 2014). In contrast, a number of other PC-related incumbents performed significantly better with the end market showing further signs of stabilisation as enterprise demand (driven by the XP replacement cycle) appears to be ameliorating ongoing consumer weakness. This dynamic helped Hewlett Packard post a respectable quarter while Microsoft added to its post Q3 gains with Ford CEO, Alan Mullaly, remaining a front-runner in the race to replace outgoing CEO Steve Ballmer.

Although the Trust remains significantly underweight the PC market, better than feared unit demand saw DRAM pricing tighten further, helping holdings Micron and SK Hynix, while hard-drive vendors such as Western Digital powered to new highs. Apple was also a strong performer during the month, amid evidence of healthy initial demand for iPhone 5 driving market share gains (especially in Japan with the addition of NTT DoCoMo), strong pre-orders for the new iPad Air and hopes that its long awaited deal with China Mobile would finally be sealed. Next-generation newsflow was also mixed with strong results from Splunk (license revenue growing 47% year-on-year and billings rising 58% year-on-year) offset by softer than expected guidance from Infoblox. Internet stocks continued to experience profit-taking, with Facebook shares among the weaker performers following its conservative commentary (relating to slowing ad-load growth and softening early teen engagement) that accompanied its strong Q3 results. The performance of Internet stocks (and other strong relative YTD gainers) was at odds with positive fundamental developments such as Thanksgiving online sales that rose nearly 20% year-on-year with both Amazon and eBay experiencing better growth still (+31%/+26% year-on-year respectively).

Outlook

Although headline valuations have expanded in line with the broader market, the technology sector continues to look attractive. Generalist investors may well be drawn to a sector that has little to fear from a QE3 'unwind' (given its limited EM exposure and net cash position) and one that has empirically fared well during periods of rate tightening (especially during periods of non inflationary growth). This relationship between higher interest rates and technology outperformance reflects the sector's disproportionate exposure to corporate capital spending, which, over time, has tended to track business confidence. The remarkable amount of uncertainty (Eurozone travails, US budget/debt ceiling negotiations, new Chinese leadership, EM slowdown) that companies have had to consider must have contributed to depressed levels of spending. As such, it does not seem unreasonable to assume that as this uncertainty lifts, so too will overall technology spending.

However, we believe that any capex recovery is likely to prove muted due to the deflationary impact of the new technology cycle (embodied by low cost alternatives such as Amazon AWS) and the shift from a capex/ownership model, towards opex/subscription based pricing. It is therefore important to distinguish between the disruptive threat from new technologies - which for many large incumbents has never been greater and macroeconomic factors. For example, in China, where spending has been surprisingly weak recently, it is unclear how much of the negative drag was a 'one-off' relating to the leadership transition (and exacerbated by a soft economy) or if it will prove more permanent, reflecting the rise of new technologies, credible local suppliers and anti-US sentiment following curbs on Chinese vendors in the US and the NSA/Snowden revelations. In our view, investors perceive this to be largely a macro issue and as such remain attracted by supposedly 'cheap' large-cap US legacy enterprise IT providers hopeful of a recovery, which we believe may ultimately prove disappointing now that new technologies that began as complements have become substitutes.

Our view that the new technology cycle has entered a more pernicious phase was well supported during a third quarter earnings season that witnessed a number of well-run incumbents stumble badly (Accenture, Cisco, EMC, IBM and Oracle), with 'macroeconomic uncertainty' or 'execution issues' apparently to blame. In contrast, next-generation vendors have, on balance (although not without some exceptions), continued to deliver strong growth. It is this dynamic that explains why M&A premiums remain at healthy levels while a number of legacy large-caps appear as cheap as they do. In terms of key themes, we continue to emphasise both 'internet infrastructure' and 'broadband applications' within the portfolio, while we have redefined our third long-standing theme, 'mobile data' away from carrier capex and devices (particularly now that smartphone penetration has reached 55%) in favour of companies with disproportionate exposure to emerging market unit growth, 4G/LTE content, mobile payments and the shift towards 64bit processors. In addition, there is a plethora of additional themes represented within the portfolio today including 'big data', cyber security, 3D printing, factory automation, Moore's stress, energy conservation and smart agriculture, to name a few.

Ben Rogoff, 11 December 2013

Trust Facts

Ordinary Shares

Share Price (p)	474.20
NAV (undiluted) per Share (p)	468.00
Premium (%)	1.32
Discount (%)	-
Capital Structure	128,936,547 shares of 25p

Subscription Shares[†]

Share Price (p)	14.75
Exercise Price (p)	
- From 1 April 2012 to 31 March 2014	478.00
Capital Structure	24,769,655 shares of 1p

Total Net Assets (£m)	603
AIC Gearing Ratio (%) [*]	0.00
AIC Net Cash Ratio (%) [*]	5.00

^{*}Gearing calculations are exclusive of current year Revenue/Loss

Benchmark

Dow Jones World Technology Index (Total Return)
(from 1 May 2006)

Trust Overview

Objective

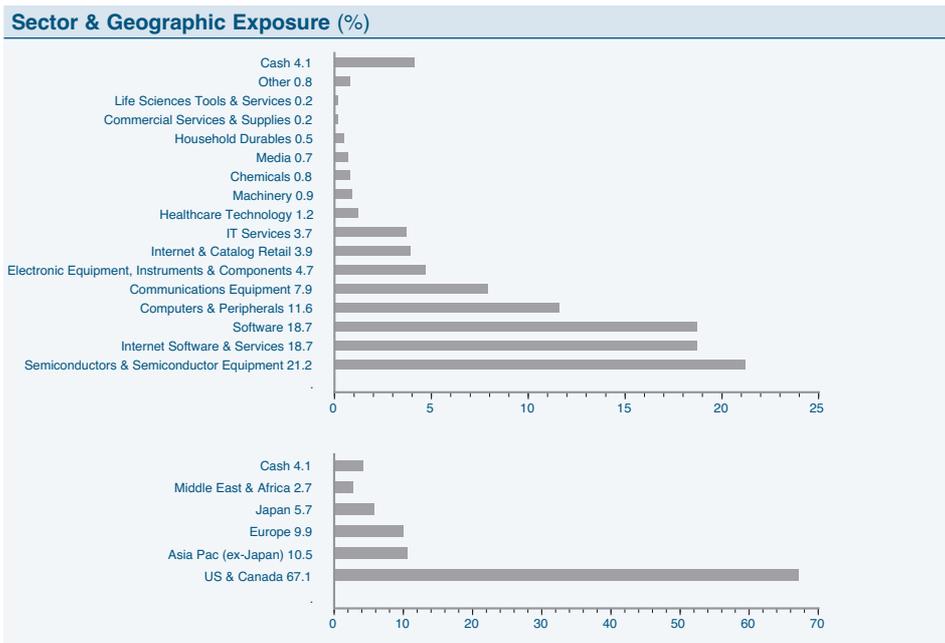
The investment objective is to maximise capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

†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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Total Number of Holdings 131

Top Ten Holdings (%)

Apple	7.6
Google	7.3
Facebook	3.0
Samsung Electronics	2.6
Amazon	2.4
Microsoft	2.4
Qualcomm	2.1
Salesforce	1.6
Intel	1.6
SAP	1.6
Total	32.2

Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	71.1
Medium (US\$ 1bn to 10bn)	22.0
Small (less than US\$ 1bn)	7.0

Trust Overview

Investment Rationale

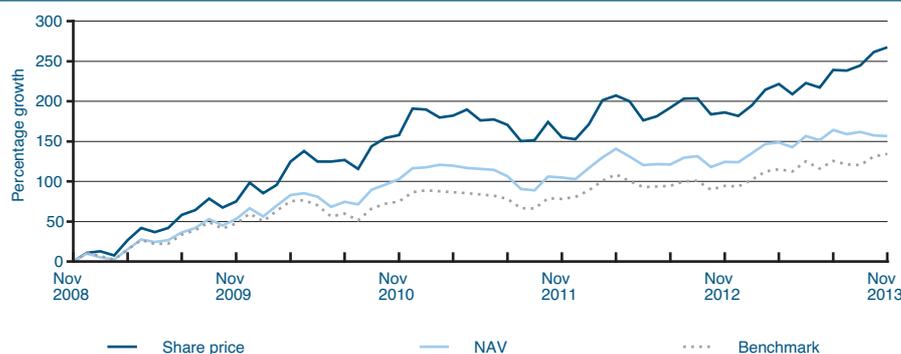
Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new 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.

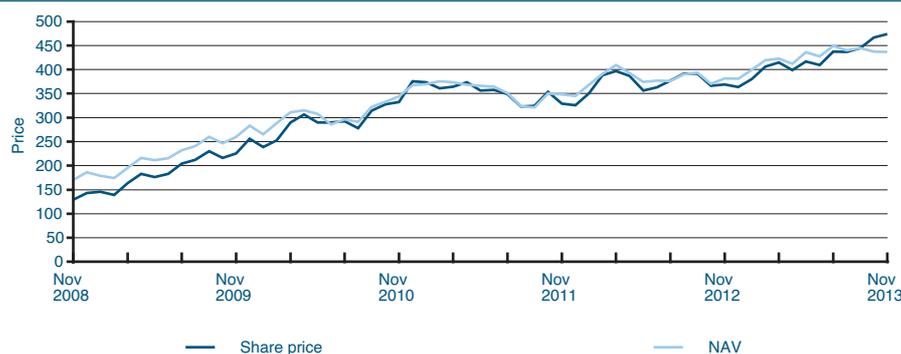
Approach

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

Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 29/11/2013

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	1.65	8.64	13.83	28.51	267.60
NAV per Share	0.81	6.37	7.31	22.63	174.87
Benchmark	1.25	5.76	3.89	20.33	133.94

Discrete Annual Performance (%)

	30/04/13 29/11/13	30/04/12 30/04/12	28/04/11 30/04/11	30/04/10 28/04/11	30/04/09 30/04/10
Share Price	19.00	2.97	3.61	21.74	67.65
NAV per Share	13.48	5.06	6.59	16.88	45.63
Benchmark	10.20	5.98	8.12	4.87	39.63

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

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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 five investment professionals.

Ben Rogoff - Director, Technology



Ben joined 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. He has been a technology specialist for 15 years. Prior to joining Polar Capital he began his career in fund management at CMI, as a global technology analyst. He moved to Aberdeen Asset Managers in 1998 where he spent four years as a senior technology manager. 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 15 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 2001 to 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 has a degree in Economics from Hull University.

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 alternative energy and medical technology sub-sectors. Fatima graduated from Imperial College London in 2002 with a degree in Medicinal Chemistry. She is a CFA charterholder.

Colin Moar - Fund Manager

Colin joined Polar Capital in January 2011 as a Fund Manager, having spent 15 years covering Pan-European and then global equity markets, with the technology sector as his main focus. Prior to joining Polar Capital 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 has a degree in Business Studies from the University of Edinburgh.

Xuesong Zhao - Fund Manager

Xuesong joined Polar Capital in May 2012, having spent most of the previous five years working as an investment analyst within the emerging market & Asia team at Aviva Investors, where he was responsible for the technology, media and telecom sectors. Prior to that, he worked as a quantitative analyst and risk manager for the emerging market debt team at Pictet Asset Management. He started his career as a financial engineer at Algorithmics, now owned by IBM, in 2005. He holds an MSc in Finance from Imperial College Science & Technology, a BA (Hons) in Economics from Peking University and is a CFA charterholder.

Trust Characteristics

Launch Date	16 December 1996
Lead Manager	Ben Rogoff
Year End	30 April
Results Announced	Mid June
Next AGM	September 2013
Continuation Vote	2015 AGM; every 5 years
Listed	London Stock Exchange

Fees*

Management Fee	1.00%
Performance Fee**	15% over Benchmark
Ongoing Charges (historic)	1.16%

* Further details can be found in the Report & Accounts

** Subject to high watermark and cap

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 Alliance Trust Savings Scheme, by contacting Alliance Trust.

Tel: 0800 326 323
Online: www.alliancetrust.co.uk

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

Ordinary Shares

London Stock Exchange	PCT
Reuters	PCTL
Bloomberg	PCTLN

Subscription Shares

London Stock Exchange	PCTS
Reuters	PCTS.L
Bloomberg	PCTS.LN

Website

www.polarcapitaltechnologytrust.co.uk

House View

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The Fund has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this presentation the shares of the Fund will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.

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Holdings

This portfolio data is "as of" 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 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 and all benchmarks are broad-based indices which are used for comparative/illustrative purposes only and have been selected as they are well known and are 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, any indices noted in this presentation are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the indices 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 indices are included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to any of the indices in composition or risk.

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Investment managers which are authorised and regulated by the FCA are expected to write to investors in funds they manage with details of any side letters they have entered into. The FCA considers a side letter to be an arrangement known to the investment manager which can reasonably be expected to provide one investor with more favourable rights, which are material, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The Fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the Fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Administrator on 0800 3134922. The Fund is prepared to instruct the custodian of the Fund, upon request, to make available to investors portfolio custody position balance reports monthly in arrears.

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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. 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 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.