

Fund Manager Comment

Market Performance

Despite a number of negative macroeconomic developments during the month (worsening US housing, additional sub-prime related write-offs, and soaring energy prices), equities continued to advance as the market (correctly) priced in the likelihood of a 0.25% US rate cut at the October 31 FOMC meeting. Whilst equities rose by 1.5% in Sterling terms (as measured by the FTSE World Index), the US Dollar continued to bear the brunt of Fed action and widening interest rate differentials as it fell a further 1.6% against a trade-weighted basket of currencies. The combination of additional liquidity and a weaker US Dollar resulted in some remarkable moves in a number of US-Dollar based asset prices during the month (gold + 7%, oil + 16%, Hang Seng Index + 16%).

Technology Performance

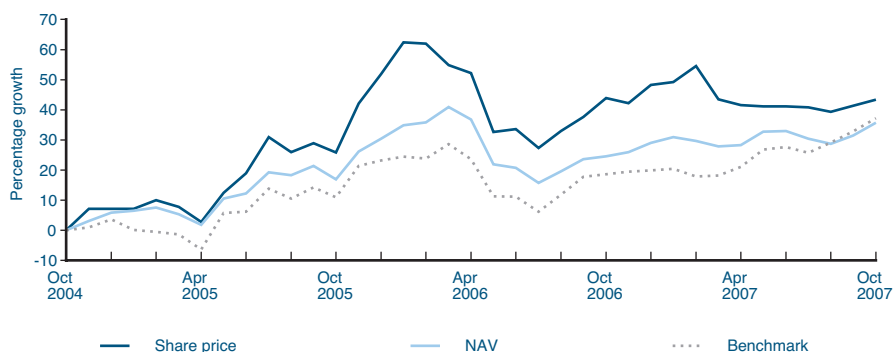
The technology sector continued to outperform, as measured by the Dow Jones World Technology index which rose 3.3% in Sterling terms, as investors continued to eschew financial-related issues. Furthermore, Q3 earnings season has (so far) rewarded US technology investors with a number of very encouraging reports from Microsoft (+25%), Google (+25%) and Apple (+24%). Elsewhere, news flow has been more mixed; a significant profit-warning from Ericsson and poor semiconductor performance ensured that the technology sector underperformed in Europe and Japan respectively. Whilst semiconductor earnings have largely been disappointing we believe that this reflects continued inventory draw-downs rather than weakening end demand. The sector also benefited from renewed M&A activity as SAP bid for Business Objects, Garmin for TeleAtlas and Oracle for BEA Systems.

Outlook

We continue to believe that markets are likely to head higher during the balance of the year and into 2008, despite our sense that the ongoing credit crunch has yet to fully play out. With inflation remaining benign, the Fed has significant additional monetary firepower to effectively underwrite the US economy. As such we believe a US recession remains a low-probability outcome which makes equities look good value, both in an absolute and relative sense. Technology leadership looks likely to persist due to undemanding relative valuations and a superior earnings profile.

Ben Rogoff, 4th November 2007

Performance



Cumulative Performance (%) to 31/10/2007

	1 Month	3 Months	6 Months	1 Year	3 Years
Share Price	1.43	1.76	1.21	-0.43	43.32
NAV per Share	3.21	4.05	5.83	8.95	35.72
Benchmark	3.26	9.17	13.31	15.70	37.22

Discrete Annual Performance (%)

	29/09/06 28/09/07	30/09/05 29/09/06	30/09/04 30/09/05	30/09/03 30/09/04	30/09/02 30/09/03
Share Price	2.71	6.75	33.01	-0.79	65.53
NAV per Share	6.37	1.86	24.46	3.57	44.83
Benchmark	12.86	3.05	18.70	-6.99	52.66

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

31 October 2007

Fact sheet

Trust Facts

Share Price (p)	230.75
NAV per Share (p)	253.27
Discount (%)	-9.76
Total Assets - Investments (£m)	342
Borrowing (£m)	-38
Net Assets (£m)	352
Gearing (%)*	97.15

** The gearing ratio is calculated by dividing total assets by net assets. The calculation ignores the effect of cash or fixed interest holdings

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 2008
Continuation Vote	2010 AGM; every 5 years
Listed	London Stock Exchange
Capital Structure	138,498,914 Ordinary shares of 25p

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

Trust Overview

Objective

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

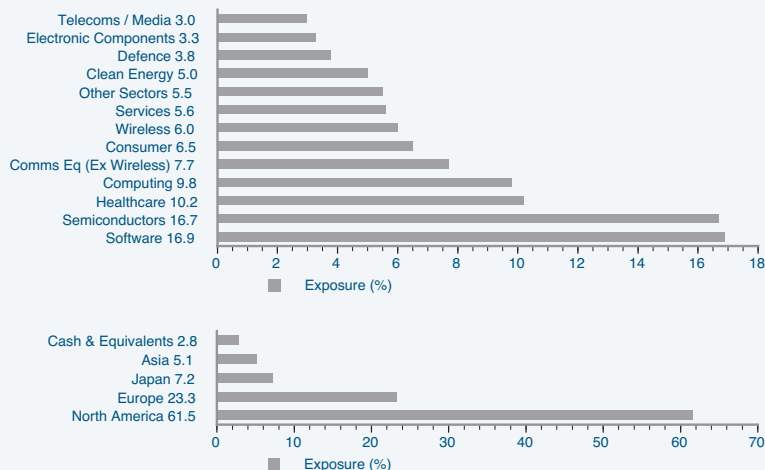
Investment Rationale

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.

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.

Sector & Geographic Exposure (%)



Total Number of Holdings 135

Top Ten Holdings (%)

Apple	3.4
Google	2.8
Cisco Systems	2.3
Qualcomm	2.0
Applied Materials	2.0
Adobe Systems	1.9
Nuance Communications	1.6
Texas Instruments	1.6
International Business Machines	1.5
Renesola	1.5
Total	20.7

Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	47.5
Medium (US\$ 1bn to 10bn)	36.5
Small (less than US\$ 1bn)	16.0

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



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 at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 where 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 - Founder/Director 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 - Founder/Director 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.

Nick Evans - Fund Manager

Nick recently joined Polar Capital and has 8 years experience as a technology specialist. He was previously Head of Technology at AXA Framlington where since August 2001 he had been lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) – Framlington Global Technology. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. He started his career as an IT graduate trainee at Lloyds TSB. He graduated from Hull University with a degree in Economics with Business Economics in 1994.

Emma Parkinson - Fund Manager

Emma has worked with Brian and Tim for the last fifteen years as a European technology analyst, initially at Henderson and at Polar Capital from its formation. Prior to this she was an US 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.

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

All data as at 31 October 2007 unless otherwise stated. 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 LLP. 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