

Polar Capital Partners Factsheet

Polar Capital Technology Investment Trust Plc.

29 September 2006

Price:		Fund Particulars:		Portfolio Analysis:	
Share Price	221.50	Management:	Polar Capital LLP	Gearing: 112.64%	
NAV per Share	230.82	Sales/Marketing:	+44 207 227 2709	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.	
Discount (calculated on diluted NAV)	-4.04%	Lead Manager:	Ben Rogoff		
Net Yield	N/A	Established	December 1996		
Gross Total Assets	£364m				
Management Fee	1%p.a plus performance fee				

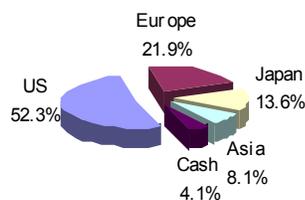
Top Ten Holdings

	%
Renesola Ltd	2.53
Keyence	1.43
Nidece	1.40
Wincor Nixdirf	1.24
Qualcomm	1.24
Amgen	1.21
SAP	1.21
Dena	1.20
Yokogawa Electric	1.19
Apple Computers	1.17
Total Top Ten :	13.81

Sector Breakdown

	%
Semi Conductors	19.8
Services	10.6
Healthcare	12.3
Software	15.8
Other Sectors	11.6
Computing	8.5
Comms Eq (ex wireless)	5.8
Wireless	4.6
Electronic Components	4.4
Defence	3.0
Telecoms/Media	1.4
Consumer	2.1

Geographical Breakdown%



Market Cap

	%
Large(> \$10bn)	34.1
Medium(\$1-10bn)	40.2
Small (<\$1bn)	25.7

Performance Over:

	1yr(%)	3yrs(%)
Share Price	6.75	40.86
NAV Diluted	1.86	31.32
FT/S&P World Index	6.96	37.27

All figures capital performance only; Source HSBC

Polar Capital Technology Investment Trust Over Past 12 Months



Sep Oct Nov Dec Jan Feb Mar Apr May June July Aug Sep
2005 Source: Bloomberg, PCT LN - PCTT SHARE PRICE v.s. WITEC Index, GBP. 2006

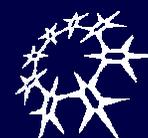
Manager Comment

The combination of significantly lower energy prices and benign US macroeconomic data allowed equities to regain further ground during September. Whilst most of the (rear-view) macro news-flow points to a decelerating US economy, falling bond yields and sharply lower commodity prices (the CRB Index registered its largest one-month fall since 1988) have reinvigorated equity investors. Not only are lower energy costs de-facto tax cuts for the US consumer but lower commodity prices appear to be already ameliorating the inflationary backdrop as evidenced by core August PPI which fell 0.4% month on month. As a result, recession fears that reached their zenith in July gave way to a more constructive interpretation of the slowdown, the US rate cycle and thus the prospect for stocks. Whilst the FTSE World Index gained 3% during the month, technology stocks fared considerably better with the DJ World Technology Index (aided by a stronger US Dollar) rising 5.1% in Sterling terms.

In the US, corporate news-flow has been limited given that many companies are in their 'quiet periods' ahead of Q3 earnings season. Despite a number of high-profile negative preannouncements, the overall tone has been better than expected. Strong numbers from Oracle and Research in Motion (maker of the Blackberry) point to a healthy backdrop for corporate IT spending. M&A activity continues to provide a very real underpinning to markets. The most significant transaction that occurred during the month was the acquisition of Freescale Semiconductor by a private equity consortium for \$17.6bn. Not only was this one of the largest ever technology LBO's but that it took place within a sub-sector better known for its cyclicity than the predictability of its cash flows has really set the proverbial cat amongst the pigeons. Elsewhere, European technology stocks outpaced broader market measures although wireless stocks lagged following several profit-warnings from handset component suppliers. Japanese technology stocks also outperformed but against the backdrop of a weaker market.

It is looking increasingly likely that the macro-related sell-off that reached its zenith in July marked the low for 2006. The combination of slowing growth and above-trend inflation together with an apparently slumping US housing market made it all too easy for technology investors to throw in the towel after four difficult months. Since the July lows, more constructive macroeconomics together with meaningful price declines in energy and other commodities has significantly improved both the growth and inflation backdrops. Concurrently the deluge of M&A activity (mostly cash transactions) has served to remind that there is considerable value in the technology space. With seasonality now more favorable, the scramble by generalists to increase their technology exposure looks set to continue. Key risks to our thesis include sharply higher energy prices, further US economic deceleration and geopolitical dislocation. Looking into 2007, we believe that the technology sector will have begun a multi-year up-cycle driven by superior earnings growth (a function of multiple product cycles hitting inflection points) and an absence of further relative P/E compression.

Ben Rogoff, 5th October 2006



Investment Rational: 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 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

Polar Capital Technology 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. Today's Polar technology team comprises six investment professionals:

Polar Capital Technology Investment Trust Lead Managers:



Ben Rogoff – Fund Manager

In June 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 June 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 degree 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

Remains on the trust board and is responsible for asset allocation strategy for the trust.

Brian 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 had 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 – Fund Manager (Founder/Director of Polar Capital Partners)

Began his career at Prolific as a trainee US fund manager in 1987. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap technology companies. Tim left with Brian to establish Polar Capital Partners in 2001

Emma Parkinson - Analyst

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.

Diana MacAndrew - Analyst

Diana graduated from Durham University in 2000 and has been employed at Polar Capital since its inception in January 2001. She is responsible for coverage of the global semiconductor sectors.

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 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

