Polar Capital Technology Trust plc

Trust Fact Sheet

27 February 2015

Trust Facts

Ordinary Shares

Share Price	584.50p
NAV per share	597.45p
Premium	-
Discount	-2.17%
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing[1]

Total Net Assets	£790.6m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	4.09%

Benchmark

Dow Jones World Technology Index Total Return adjusted for withholding taxes (from 1 May 2013)

Fees[2]

Management	1.00%
Performance	15% over Benchmark

FX Rates

GBP/USD	1.5454
GBP/EUR	1.3778
GBP/JPY	184.7448

Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information on Page 4 and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

Discount Warning

The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

Company Profile

Investment Objective

The investment objective is to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world.

Investment Rationale

Over the last three 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 broader market, reflecting the longer-term secular uptrend in technology spending.

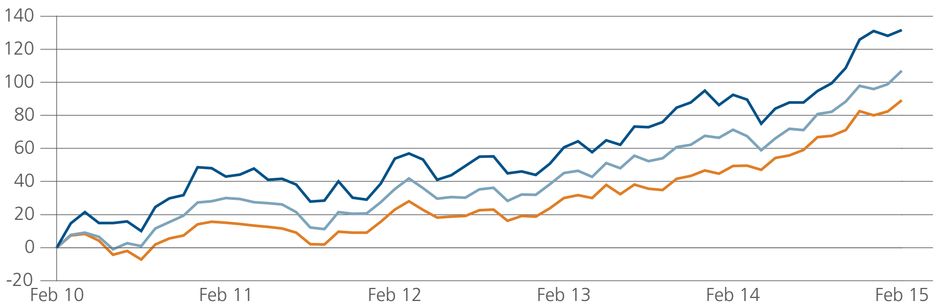
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

Investment Approach

The Polar Capital Technology team selects companies for their potential for shareholder returns, not on the basis of technology for its own sake. The team 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

Performance over 5 years (%)



	1 Month	3 Months	6 Months	1 Year	5 Years
Ordinary Share Price	1.48	2.54	18.92	20.27	131.49
NAV per Share	4.10	4.59	14.49	20.83	106.92
Benchmark	3.69	3.56	13.38	26.54	89.11

Discrete Annual Performance (%)

	30/04/14 27/02/15	30/04/13 30/04/14	30/04/12 30/04/13	28/04/11 30/04/12	30/04/10 28/04/11
Ordinary Share Price	32.24	10.92	2.97	3.61	21.74
NAV per Share	30.31	11.17	5.01	6.64	16.88
Benchmark	28.55	13.07	5.98	8.12	4.87

Source: Lipper & HSBC Securities Services (UK) Limited, percentage growth, total return. Past performance is not indicative or a guarantee of future results.

1. Gearing calculations are exclusive of current year Revenue/Loss.

2. The performance fee is subject to a highwater mark and cap. Further details can be found in the latest Report and Accounts.

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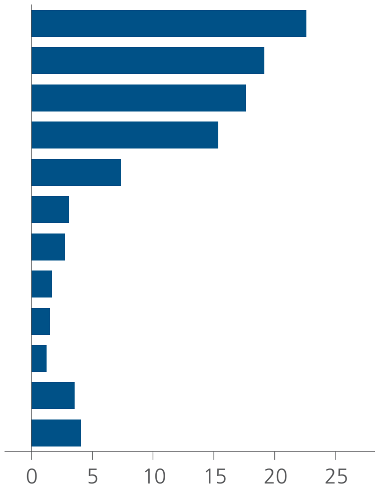
Polar Capital Technology Trust plc

Portfolio Exposure

As at 27 February 2015

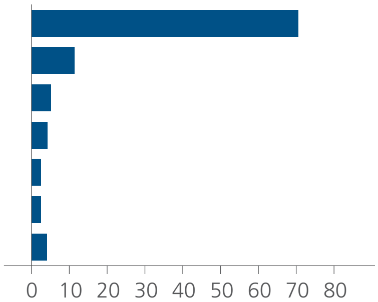
Sector Exposure (%)

Internet Software & Services	22.6
Software	19.1
Semiconductors & Semiconductor Equip.	17.6
Tech. Hardware, Storage & Peripherals	15.4
Communications Equipment	7.4
Elec. Equip. Instruments & Components	3.1
Internet & Catalog Retail	2.8
IT Services	1.7
Healthcare Technology	1.5
Machinery	1.2
Other	3.5
Cash	4.1



Geographic Exposure (%)

US & Canada	70.5
Asia Pac (ex-Japan)	11.4
Europe (ex UK)	5.1
Japan	4.1
UK	2.5
Middle East & Africa	2.4
Cash	4.1



Top 15 Holdings (%)

Apple	10.6
Google*	7.3
Facebook	3.9
Microsoft	2.9
Cisco Systems	2.6
Intel	2.1
Samsung Electronics	1.9
Salesforce.com	1.6
Tencent	1.6
Oracle	1.6
Baidu	1.6
TSMC	1.5
Amazon	1.4
Arm Holdings	1.3
Western Digital	1.2
Total	**43.1**
Total Number of Positions	**125**

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	72.0
Mid Cap (>$1bn - $10bn)	22.1
Small Cap (<$1bn)	5.9

Investing in the Trust and Shareholder Information

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

Details of the different ways of dealing in the company's shares are given on the website. Equiniti, the company's registrars provide an internet share sale service.

Telephone	0800 876 6889
Online	www.shareview.co.uk

Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme or an ISA.

Corporate Contacts

Registered Office and Website

4 Matthew Parker Street, London SW1H 9NP
www.polarcapitaltechnologytrust.co.uk

Custodian

HSBC Plc is the Depositary and provides global custody of all the company's investments

Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

Trust Characteristics

Launch Date	16 December 1996
Year End	30 April
Results Announced	Mid June
Next AGM	September 2015
Continuation Vote	2015 AGM
Listed	London Stock Exchange

Codes

Ordinary Shares

ISIN	GB0004220025
SEDOL	422002
London Stock Exchange	PCT

The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Note: Totals may not sum due to rounding.

*Combination of Class A and Class C Google shares.

Fund Manager Comments

As at 27 February 2015

Market Review

The equity market roared back into life in February, firmly leaving behind the hesitant start to the year witnessed in January. The FTSE World Index increased 2.6% in sterling terms. The Minsk II agreement, a Greek debt deal, recovering commodity prices, China's cut in the reserve requirement ratio and favourable Fed minutes all combined to provide a strong tailwind to markets. These positives were most evident in previously depressed assets, with the Greek stock market rallying a remarkable 17.7% during the month, while Brent Oil recovered strongly to $62.6 from $54 per barrel, partly in response to a falling US rig count. US and European economic data releases were generally strong, with the important US employment releases being positive once again. The US non-farm payrolls rose by 257,000, the 11th straight month of job gains above 200,000, underlining what has been a consistent and broad-based strengthening of the labour market for almost a full year. So far in 2015, 21 central banks have cut rates, many unexpectedly, with several implementing more than one rate cut. This captures the impact of falling oil prices on the global economy and the reaction of central banks to counter deflationary pressure. At the National People's Congress meeting in China, Premier Li Keqiang set the 2015 economic growth target at "around 7%" from "around 7.5%" last year. The consumer price inflation (CPI) target has also been lowered to 3% year-on-year (from 3.5% last year), but is currently a considerable distance away from the January CPI pace of only +0.8% year-on-year. A key risk going forward is if China should become unhappy with importing deflation and instead start to export it via aggressive RMB depreciation.

Technology Review

The Technology sector outperformed the broader market during the month with the Dow Jones World Technology Index gaining +3.6% in sterling terms. The semiconductor sector rebounded in February with the Philadelphia Semiconductor (SOX) Index rising +6.4% (in GBP terms). Qualcomm was a major contributor to this performance, gaining +12.9% over the month following a favourable settlement with the China NDRC over an anti-monopoly investigation (dragging on relative performance due to our underweight position). The Internet sector continued to have a positive Q4 earning season, with LinkedIn, TripAdvisor and Twitter delivering strong quarterly reports. A revenue beat by TripAdvisor, growing +35% year-on-year, was well received and, combined with a constructive 2015 guidance, catapulted the stock +29.6%. Twitter successfully offset monthly active user disappointment with big revenue and EBITDA beats, sending the stock up +24.6% during the month. The LinkedIn results were especially pleasing as the company managed to beat expectations across all of its underlying business segments: talent solutions, marketing solutions and premium solutions. The share price was rewarded with a monthly gain of +15.7%.

Strong earnings were also evident beyond the Internet sub-sector, with the likes of Apple and Salesforce.com able to shrug off foreign exchange headwinds. In contrast – and inline with our 'new cycle thesis' – a number of enterprise incumbents including Hewlett-Packard (not held), IBM (not held) and Microsoft (underweight) all posted lacklustre results. Unrelated to earnings, an important development materialised in February of significant structural benefit to the long-term health of the Internet sector, when the Federal Communications Commission (FCC) voted to adopt new "net neutrality" powers. As a consequence, broadband will shortly be classified as a (regulated) public utility unless the ruling is successfully challenged by broadband providers, which argue that investment may suffer. However, in preserving 'fair access', the decision should ultimately be very positive for the Internet ecosystem, as well as the wider US economy.

Outlook

Given our relatively constructive view on the global economy, we do not expect IT spending (forecast to grow 2.4%) to significantly disappoint this year. However, pronounced US Dollar strength represents a new headwind because more than half of sector sales come from overseas (although this is more like c.1/3 once adjusting for dollar-denominated international revenues). Fortunately, this is likely to be more keenly felt by slower growth incumbents who will also have to contend with further budget reallocation away from traditional areas of spending. As such, we continue to believe that the new technology cycle has entered a more pernicious phase because critical technologies (epitomised by cloud computing) that began as complements, are becoming substitutes. While budget reallocation and tech deflation may only appear marginal – after all, leading public cloud company Amazon Web Services currently has less than $5bn in annual revenues compared to total corporate IT spending of c.$1.7tr – it appears that nearly all of the industry's incremental growth is being captured by new technologies and next-generation vendors. This, we believe, explains why IBM was forced to abandon its long-held (financially-engineered) earnings targets last year when it cited the "unprecedented pace of change in our industry".

IBM's travails are likely to be more widely felt over the coming years as large traditional enterprise technology markets continue to slow/contract. After stabilising last year (aided by the expiry of support for Windows XP), the PC market is expected to contract between 0% and 5% in 2015. Likewise, the tablet market – approaching parity in unit terms with the PC market – is also looking increasingly mature with single-digit unit growth expectations reflecting cannibalisation from larger-screen smartphones. The printing market is expected to contract by between 2-3% through 2018 while a "generational shift" in IT departments is likely to impact mainframe computing, where the number of global customers has already declined to 3,500 from 5,000 five years ago. Even better markets such as servers and storage are expected to slow with growth pegged at c.4%, with newer vendors likely to capture much of the additional demand.

Fortunately, the same technology deflation that is causing havoc in legacy markets (where volume growth is insufficient to offset pricing) is significantly increasing the reach of technology while opening new (and vast) markets for tech 'reinvention', already evident in advertising, commerce, payments and travel today. These new markets have very little to do with legacy incumbents (despite their protestations), which is why they typically embark on M&A activity designed to offset the impact of the new cycle (lower pricing, market share loss), although they prefer to characterise these acquisitions as additive. As the current cycle becomes increasingly pernicious, we expect this type of 'defensive' M&A activity (epitomised by SAP's $8.3bn acquisition of Concur at c.10x sales last year) to accelerate from already elevated levels. Although this argument was equally valid last year when 'old' technology stocks decisively outperformed the 'new', the valuation elastic between both groups has significantly snapped back while fundamentals are likely to continue to diverge (evident during Q4 earnings season). In terms of areas of focus, we continue to favour our core three themes – Internet infrastructure (cloud, cybersecurity), broadband applications (advertising, e-commerce, social media) and mobile data (payments, biometrics). In addition, we remain excited about opportunities in factory automation/robotics, automotive and 'big data' where tech deflation is allowing our industry to reinvent large existing markets.

Ben Rogoff

11 March 2015

Fund Manager Comments

As at 27 February 2015

Polar Capital Technology Trust Management Team

Ben Rogoff

Director, Technology

Ben has managed the Trust since 2006, he joined Polar Capital in 2003 and has 19 years of industry experience.

Nick Evans - Senior Fund Manager

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

Paul Johnson - Junior Analyst

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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 as benchmarks volatility and other material characteristics that may differ from the Company. Security holdings, industry weightings and asset allocation made for the Company may differ significantly from the benchmark. Accordingly, investment results and volatility of the Company may differ from those of the benchmark. The indices noted in this document are unmanaged, are unavailable for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the Company may incur. 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. Information regarding indices is included merely to show general trends in the periods indicated, it is not intended to imply that the fund was similar to the indices in composition or risk.

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