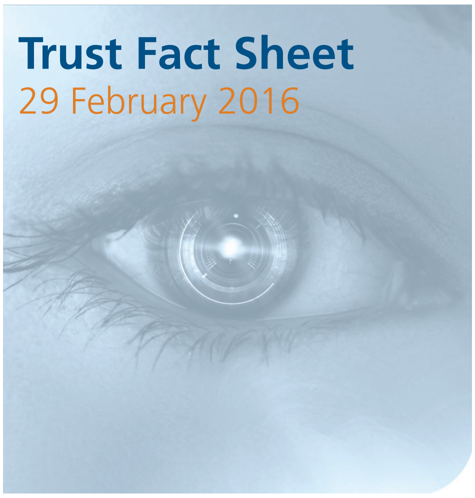
Polar Capital Technology Trust plc



Trust Fact Sheet
29 February 2016

Trust Facts

Ordinary Shares

Share Price	558.50p
NAV per share	595.52p
Premium	-
Discount	-6.22%
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£788.1m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	3.81%

Benchmark

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

Fees [2,3]

Management	1.00%
Performance	15% over Benchmark

FX Rates

GBP/USD	1.3936
GBP/EUR	1.2826
GBP/JPY	157.3026

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.

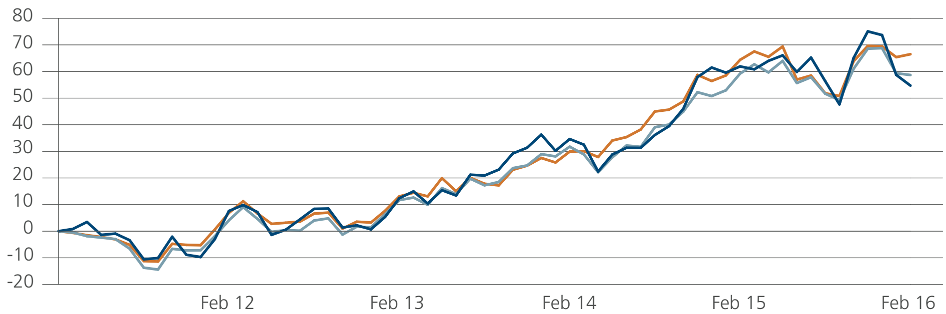
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

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	-2.53	-11.63	-1.06	-4.45	54.71
NAV per Share	-0.42	-5.88	4.63	-0.32	58.68
Benchmark	0.67	-1.84	9.67	1.30	66.50

Discrete Annual Performance (%)

	30/04/15 29/02/16	30/04/14 30/04/15	30/04/13 30/04/14	30/04/12 30/04/13	28/04/11 30/04/12
Ordinary Share Price	-5.66	33.94	10.92	2.97	3.61
NAV per Share	-0.61	30.69	11.17	5.01	6.64
Benchmark	0.59	29.46	13.07	5.98	8.12

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, total return, Net of Fees in GBP terms. Past performance is not indicative or a guarantee of future results.

1. Gearing calculations are exclusive of current year Revenue/Loss.
2. Management fee is 1% of net assets up to £800m and 0.85% on assets over £800m.
3. 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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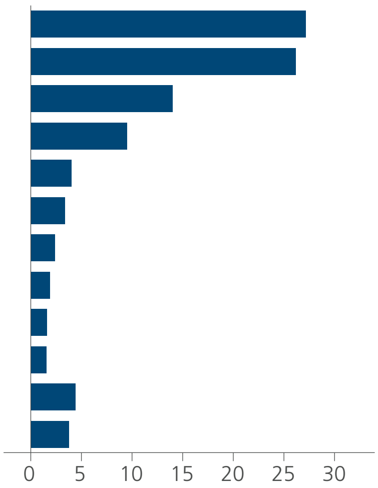
Polar Capital Technology Trust plc

Portfolio Exposure

As at 29 February 2016

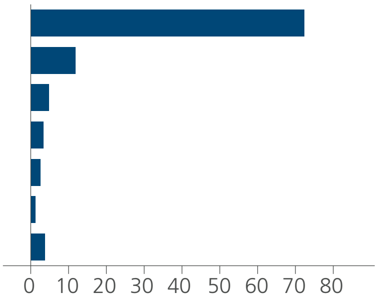
Sector Exposure (%)

Software	27.2
Internet Software & Services	26.2
Semiconductors & Semiconductor Equip.	14.0
Tech. Hardware, Storage & Peripherals	9.5
Internet & Catalog Retail	4.0
Communications Equipment	3.4
IT Services	2.4
Healthcare Technology	1.9
Elec. Equip. Instruments & Components	1.6
Machinery	1.6
Other	4.4
Cash	3.8



Geographic Exposure (%)

US & Canada	72.4
Asia Pac (ex-Japan)	11.9
Europe (ex UK)	4.8
Japan	3.4
UK	2.5
Middle East & Africa	1.3
Cash	3.8



Top 15 Holdings (%)

Alphabet	9.4
Apple	7.3
Microsoft	6.5
Facebook	5.4
Amazon	2.9
Alibaba Group Holding	2.2
Splunk	1.9
Tencent	1.7
Intel	1.6
TSMC	1.5
Netsuite	1.5
Salesforce.com	1.5
Cisco Systems	1.3
Red Hat	1.2
Proofpoint	1.2
Total	**47.1**

Total Number of Positions **125**

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	64.1
Mid Cap ($1bn - $10bn)	28.3
Small Cap (<$1bn)	7.5

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

16 Palace Street, London SW1E 5JD
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	0422002
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.

Fund Manager Comments

As at 29 February 2016

Market Review

Although equity markets remained volatile in February, pronounced GBP weakness saw the FTSE World Index gain 1.4% (GBP). Investor concern remained focused on China, along with weak oil prices and mixed economic data in the US. China's manufacturing PMI fell to a five-month low (48) consistent with economic contraction, while factory job cuts were the highest since January 2001. While part of a necessary transition away from manufacturing/exports and towards services, the pace of the slowdown and associated currency weakness suggests the transition remains a bumpy one. Unsurprisingly, China's regional trading partners also struggled, leading Bank of Japan (BoJ) Governor Kuroda to announce further easing in the form of negative interest rates (NIRP) for central bank deposits over certain thresholds which drove Japanese ten-year bond yields into negative territory. In fact, $6 trillion of government bonds globally now trade with negative yields while German Bunds ended the month yielding just 11 basis points due to NIRP 'spill over' and heightened risk aversion.

Despite 'mixed' US economic data, results and guidance from many of our holdings together with extensive recent company meetings suggest that the economy remains robust. Weaker manufacturing PMI (51) and Non-Farm Payrolls (151k vs. consensus of 190k) were largely offset by continued low unemployment, solid housing indicators (Core Logic House Price Index +6.9% year-on-year (y/y) in January), retail sales (+0.6%) and strong auto sales (the highest February rate since 2000). Sterling fell against a basket of currencies, as attention shifted to the UK's referendum on EU membership with Boris Johnson adding weight to the "Brexit" campaign. Unfortunately, the combination of falling bond yields, negative rates, softer global growth and continued weakness in oil/energy prices pressured global financial/bank equities, with Deutsche Bank's fourth quarter losses pushing its shares to their lowest level since 1992.

Technology Review

The technology sector modestly underperformed the broader market during February, the Dow Jones World Technology Index gaining 0.9% (GBP). Unfortunately, our investment style continued to face significant headwinds with high-growth, next generation companies struggling, in contrast to heavily shorted and under-owned stocks that rallied. Challenged incumbents such as IBM, Hewlett Packard and Qualcomm delivered strong returns, whilst Facebook* and Amazon* (*held) slipped 3-4% and other higher growth stocks lagged significantly, despite already trading at compelling levels and having largely reported robust results (not that you would know it from their stock prices). Alphabet reported 18% y/y revenue growth (and +24% y/y in constant currency) with core paid clicks up an impressive 31% y/y. In addition, new CFO Ruth Porat finally made her mark by breaking out "other bets" or loss making businesses and 'revealing' strong core revenue/profit growth and evidence that the shift to mobile usage is now a tailwind to the business. These metrics are even more impressive when you consider the scale of this business – Gmail finally crossed 1bn monthly active users (MAUs) in addition to Search, Android, Maps, Chrome and YouTube. Facebook also confirmed that WhatsApp has joined the 1bn MAU club, whilst Tencent announced that its WeChat app processed 8bn payments during four days over Chinese New Year, with 420m users sending each other money (transaction levels 8x higher than the prior year).

Unfortunately, heightened risk aversion meant investor focus remained firmly on mishaps, with a handful of high profile companies issuing disappointing results and/or guidance. Data visualization software vendor Tableau* reported strong results with billings up 36.4% y/y and 26.5% quarter-on-quarter (q/q) but guidance was sharply below expectations, which the company blamed on the macroeconomic backdrop. LinkedIn also reported a strong quarter (revenues +39% in constant currency) but like Tableau, guided 2016 below expectations. In both instances we suspect the 'macro' canard was used to reset expectations due to stock specific issues. Twitter disappointed by reporting its first sequential user decline, although the shares actually ended the month +10% as investors focused on its depressed valuation, recent product changes and new ad initiatives. We are watching closely for progress here, but believe the decision to offer a 'non chronological' timeline could perhaps stabilise the platform.

In contrast with these three high-profile disappointments, most of our next generation holdings continued to deliver robust results. While bellwethers such as Amazon*, Facebook* and Google* grabbed the headlines, a large number of smaller stocks also delivered strong December quarter results ahead of expectations including HubSpot* (revenue +56% y/y), CyberArk* (revenue +42% y/y), Criteo* (revenue +51% y/y) and Zendesk* (billings reaccelerating to +66% y/y). Furthermore, off-quarter companies (those with January quarter ends) such as Splunk*, Palo Alto Networks* and Salesforce.com* all reported exceptional quarters with no evidence of any macroeconomic weakness. Splunk* (one of our top ten active positions) reported stellar results with its largest beat versus expectations since its IPO in 2012 with licenses +44% in the quarter. Management commentary was also robust with CEO Doug Merrit allaying macroeconomic concerns when he stated "we saw sustained and increasing demand through Q4". Palo Alto Networks* also reported 'blowout' numbers with billings increasing by 62% y/y, 10% ahead of analyst expectations. Meanwhile Salesforce.com* reported impressive results with, as Morgan Stanley put it, "large deals powering accelerated billings growth" (billings up 29% y/y).

Outlook

Whilst we believe recent results reinforce our view (that fundamentals remain intact) we have not been resting on our laurels. Instead we have been travelling extensively to meet the management teams of our holdings and potential investments. Nick has completed two US trips in the last month, Brad has just returned from California, Ben is currently in Silicon Valley and Xuesong is in the middle of a two-week long trip to Asia. Fortunately the early news is very encouraging with the vast majority of our meetings proving upbeat with little sign of fundamental weakness or macroeconomic uncertainty elongating sales cycles. Of course there are some obvious exceptions but largely in areas where we have limited exposure: incumbent enterprise technology suppliers are struggling to deal with cloud deflation (delivered by the likes of Amazon Web Services) and smartphone and PC related companies weighed down by the mature end markets, US Dollar strength and/or Chinese competition but none of this should come as a surprise.

Another key takeaway from our meetings is that (like us) management teams have been surprised by the indiscriminate nature of the sell-off and the magnitude of the valuation compression, which we expect to drive an accelerated pace of M&A activity this year. In our view, stock price falls during this 'risk off' phase appear to have been exaggerated by momentum/quant (computed driven) fund selling and possible intervention by risk teams forcing funds to reduce positions. Although painful during times like this, the additional volatility created by short-term investors should ultimately play to our advantage given our longer-term investment horizon and fundamentally driven approach. In the meantime, we maintain our view that the US economic recovery remains intact while our companies – with limited emerging market exposure, no capital requirements (strong balance sheets), robust growth prospects and potential for operating leverage – look well placed. Though it has been tested in the first two months of the year, our base case remains relatively sanguine. Respectful of the risks, we continue to believe that US data is not indicative of recession, but rather supports

Fund Manager Comments

As at 29 February 2016

the view of a "two speed economy". Policy makers remain alive to global deflation risks, and the potential feedback effects from FX, commodity and financial markets. More recent dovish commentary supports our view that rate increases will be more gradual than originally suggested by the Federal Reserve.

Despite a particularly challenging start to 2016, we remain convinced about the relative attractiveness of the portfolio. We do not believe it is sustainable that many next-generation 'winners' (which have the potential for upwards revisions during the year) can continue to trade at only modest premiums on an EV/sales basis to 'has-been' competitors. Given that cash yields are zero or negative in many economies, we believe that a high growth portfolio of structurally sound technology companies remains an attractive proposition – especially now that many of the underlying holdings are trading well below their average five-year EV/sales multiples. The compression in next-generation valuations remains in stark contrast with the continued bifurcation of industry fortunes driven by Cloud adoption and a mobile (rather than PC) centric world.

9 March 2016

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 20 years of industry experience.

Nick Evans - Senior Fund Manager
Fatima Iu - Fund Manager
Xuesong Zhao - Fund Manager
Bradley Reynolds - Investment Analyst
John Gladwyn - Investment Analyst
Paul Johnson - Investment 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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