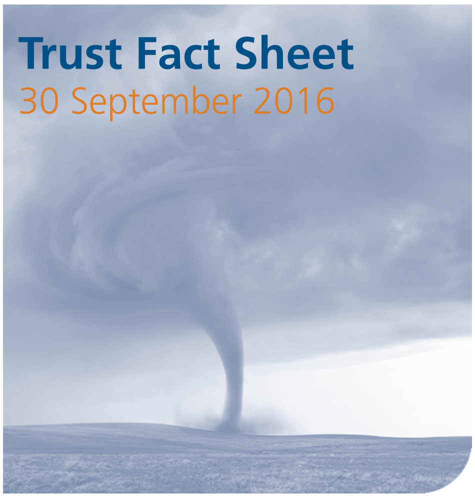
Polar Capital Technology Trust plc



Trust Fact Sheet
30 September 2016

Trust Facts

Ordinary Shares

Share Price	810.50p
NAV per share	821.23p
Premium	-
Discount	-1.31%
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£1,086.8m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	2.18%

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	1.2990
GBP/EUR	1.1559
GBP/JPY	131.5432

Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information at the end of this document 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 Company aims to maximise capital growth for shareholders 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.

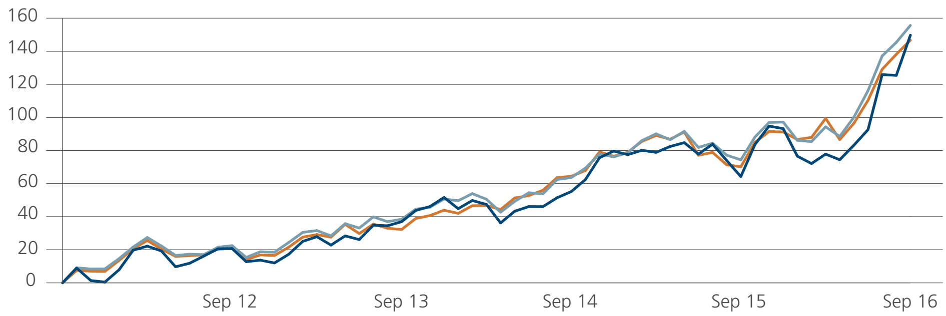
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

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	10.80	29.68	40.47	52.06	149.77
NAV per Share	4.20	18.25	31.57	46.64	155.67
Benchmark	3.59	17.29	23.72	44.96	146.70

Discrete Annual Performance (%)

	30/04/16 30/09/16	30/04/15 30/04/16	30/04/14 30/04/15	30/04/13 30/04/14	30/04/12 30/04/13
Ordinary Share Price	43.20	-4.39	33.94	10.92	2.97
NAV per Share	35.62	1.05	30.71	11.17	5.01
Benchmark	32.20	-0.11	29.46	13.07	5.98

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.

Awards & Ratings

Polar Capital LLP 16 Palace Street, London, SW1E 5JD

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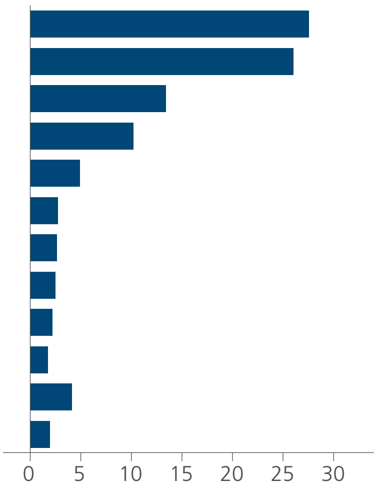
Polar Capital Technology Trust plc

Portfolio Exposure

As at 30 September 2016

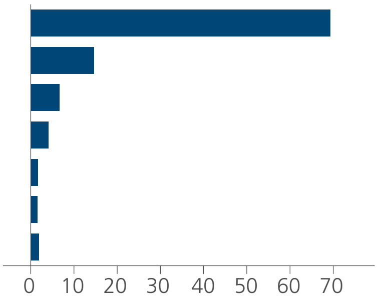
Sector Exposure (%)

Software	27.5
Internet Software & Services	26.0
Semiconductors & Semiconductor Equip.	13.4
Tech. Hardware, Storage & Peripherals	10.2
Internet & Direct Marketing Retail	4.9
Communications Equipment	2.7
Elec. Equip. Instruments & Components	2.6
IT Services	2.5
Healthcare Technology	2.2
Machinery	1.8
Other	4.1
Cash	2.0



Geographic Exposure (%)

US & Canada	69.3
Asia Pac (ex-Japan)	14.7
Europe (ex UK)	6.6
Japan	4.1
UK	1.7
Middle East & Africa	1.6
Cash	2.0



Top 15 Holdings (%)

Alphabet	8.8
Facebook	6.0
Apple	5.7
Microsoft	5.4
Amazon	3.5
Alibaba Group Holding	2.7
Samsung Electronics	2.7
Tencent	2.6
Splunk	1.8
Intel	1.6
Adobe Systems	1.6
TSMC	1.5
Texas Instruments	1.3
Salesforce.com	1.2
Dolby Laboratories Inc	1.2
Total	**47.6**

Total Number of Positions 125

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	67.2
Mid Cap ($1bn - $10bn)	24.9
Small Cap (<$1bn)	7.9

The Fund holds a SPDR S&P 500 put option, Twitter and Advanced Micro Devices call options representing 50 bps of the NAV. The delta adjusted SPDR S&P 500 exposure is equal to -2.17%, total delta adjusted Twitter exposure is equal to 1.16% and the total delta adjusted AMD exposure is equal to 0.96% (stock 0.54% and delta adjusted call option of 0.42%) . The delta adjusted impact of these options is only reflected in the top 15 positions table all other exposure tables are based on MTM figures.

Trust Characteristics

Launch Date	16 December 1996
Year End	30 April
Results Announced	Mid June
Next AGM	September 2017
Continuation Vote	2020 AGM
Listed	London Stock Exchange

Codes

Ordinary Shares

ISIN	GB0004220025
SEDOL	0422002
London Stock Exchange	PCT

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

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 30 September 2016

Market Review

Global equity market returns were muted in September, the FTSE World Index gaining 1.7% (in GBP terms). Three key Central bank policy meetings occurred during the month. The European Central Bank (ECB) meeting was largely uneventful with no extension of Quantitative Easing (QE). The Bank of Japan (BoJ) shifted its focus from moving deeper into negative interest rate policy (NIRP), pledging to overshoot its 2% inflation target (current CPI running at -0.5%) and setting a goal to cap 10-year bond yields at zero, aimed at steepening the yield curve and improving bank profitability. The US Federal Reserve (Fed) chose not to raise rates but disclosed that the case for a hike had strengthened – a signal that the US economic recovery remains on track and that a rate hike before year-end should not be ruled out. Whilst some believe November may be a little too close to the US elections, it now seems likely that the Fed will raise rates at or before the December meeting.

Two other macro factors had a particular impact on markets during the month – the travails at Deutsche Bank (DB) and OPEC oil supply negotiations. Unfortunately, investors were caught off guard by the US$14bn proposed settlement demand made by the US Department of Justice (DoJ) to Deutsche, related to mis-selling of mortgage-securities prior to the financial crisis. Not only did this represent 80% of DB's market capitalisation, it also led to speculation over a capital shortfall and the willingness/ability of German Chancellor Angela Merkel to provide support (given Germany's strong stance over Greek and Italian bank negotiations). While a lower settlement figure seems likely, this was an unwelcome reminder of the scale of problems Europe still has to deal with. Perhaps simply a coincidence, the DoJ proposed figure is a very similar amount to that recently demanded from Apple by European regulators, which is in turn a reminder of the importance of avoiding protectionist behaviour. Another surprise announcement during the month was that OPEC members had agreed to limit production which boosted oil prices – Brent rising 6.2% in September, albeit still reliant on a final agreement in November over how cuts will be distributed.

Technology Review

The technology sector continued to lead the broader market during the month, the Dow Jones World Technology Index gaining 3.6% (in GBP terms). Importantly, 'off-quarter' technology reports were generally supportive boding well for third-quarter (Q3) earnings season which gets underway shortly. Notably, our holdings in Adobe* and RedHat* performed well with Adobe exceeding expectations on both revenues and EPS. Management additionally raised 2016 guidance as both the Creative Cloud and Marketing Cloud products continue to show impressive progress. Red Hat reported revenue and EPS above guidance while billings growth accelerated. Stocks we don't hold such as Accenture**, usually a good bellwether, also had a solid quarter and whilst Oracle** results were soft (missing revenue and EPS expectations), we believe this should not come as a surprise given the secular pressures on their core business from cloud computing – likely explaining their recent bid to acquire Netsuite*.

The largest positive contributors to relative performance during the month were Arcam* (subject to a bid from GE at a 53% premium), 8x8*, Amazon*, DeNA* (subsequently sold) and zero weighting in Oracle** and Cognizant**. The most significant detractor was our underweight in Apple* (early positive data points following the iPhone 7 release which we expect to fade over coming quarters). The Trust was also negatively impacted by some softness in stocks that had performed strongly year-to-date, including Cyberark*, Proofpoint* and AMD*, as well as weakness in Himax*. In addition, our zero weighting in Qualcomm** hurt relative performance as the stock benefited from speculation it may bid for NXP Semiconductor (diversifying its own exposure away from the mature smartphone theme – something we have already done ourselves in the Trust). The SOX Index gained 4.3% in September, dragging a little on our relative performance, boosted by Intel positively pre-announcing their Q3 results and citing replenishment of PC supply chain inventory and some signs of improving PC demand.

Market Outlook

Despite increased macro uncertainty, we remain constructive on the outlook for the Trust – supported by the strong underlying revenue growth of our holdings – especially given the scarcity of growth in the broader market. While equities are beginning to look expensive versus history, they remain compelling when compared with cash/bond alternatives. However, if we have seen the low for US Treasury yields (a possibility given recent data/rising likelihood of a rate hike) the PE expansion tailwind is likely to fade. Regardless (with the S&P currently at c. 17x forward earnings) we expect equity returns to increasingly resemble earnings growth which should support our growth-centric approach. Year-to-date, it is interesting to note that the technology sector is demonstrating clear leadership versus global equities.

Multiple factors contribute to our positive outlook, with strong secular themes driving technology adoption. One factor we believe is being overlooked is the expanding reach of the technology sector with cloud infrastructure and smartphone penetration driving an accelerating pace of innovation and broadening technology disruption. Technology is now attacking the historically sheltered profit pools of almost all other industries. This expansion of the total addressable market (TAM) should create significant opportunities for active investors in the sector while index/ETF returns could be weighed down by the maturity of the smartphone market and the deflationary impact of cloud computing on IT budgets. If we are correct, this should provide a multi-year tailwind to our 'active' and 'growth centric' investment approach. Some companies such as General Electric look like they 'get it' and are embracing lower cost 'Cloud' based infrastructure as well as new manufacturing technologies such as additive manufacturing (known as '3D printing'). Robotics is another high profile example of technology disruption, providing a threat to manufacturing jobs globally (and perhaps a growing deflationary force). However, we are just scratching the surface: a deeper look into most industries suggests an understanding of technology will be required by all investors in future.

Other factors that contribute to our confidence include fundamentals and valuations. Robust second-quarter (Q2 '16) results, supported by confident management during our recent meetings and solid off-quarter technology earnings are all suggestive of a solid Q3 reporting season. Importantly, whilst valuations for higher growth technology stocks have rebounded from February '16 lows (levels they had not reached since the financial crisis), they have still compressed significantly over the last two years and today trade at levels we believe look reasonable relative to their growth prospects. With M&A accelerating significantly since April, we very much doubt we will revisit the February valuation lows unless the global economic outlook deteriorates substantially.

While Brexit negotiations and Sterling weakness may take the edge off broader sector results, this is likely to have a more notable impact on larger legacy companies (with high UK/European exposure). Due to our growth centric approach and mid-cap bias, the Trust's greatest exposure is to the health of the US economy. While recent US data has taken on a more positive hue, we are mindful that there may be other 'growth scares' ahead and as we enter Q4 we (like others) see a number of so-called 'tail risks' including a Trump Presidential win, European banking concerns, 'Brexit' fears, an Italian referendum and a likely Fed rate hike. As such we have retained a modest amount of cash which we have augmented with a small position (c.13bps) in out of the money SPDR S&P500 ETF put options. Ultimately,

Fund Manager Comments

As at 30 September 2016

as each perceived risk passes we expect the market to grind higher and in the meantime we expect to use any short-term volatility to add to our core positions.

Preferred areas continue to include online advertising, e-commerce, cloud infrastructure, cyber security, SaaS, games software, mobile payments and Chinese internet, as well as areas where technology is attacking the profit pools of other industries, such as travel, media/TV distribution, automotive (including electric vehicles) and manufacturing (factory automation, robotics, sensors and the Internet of Things (IoT)).

*Held

**Not held

Ben Rogoff

11 October 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 21 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.

Regulatory Status Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 16 Palace Street, London, SW1E 5JD. FCA authorised and regulated Investment Managers 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 materially favourable rights, 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 Registrar on 0800 876 6889. 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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