Polar Capital Technology Trust plc

Trust Fact Sheet

31 October 2014

Trust Facts

Ordinary Shares

Share Price	527.00p
NAV per share	543.91p
Premium	-
Discount	-3.11%
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing[1]

Total Net Assets	£719.8m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	2.68%

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

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.

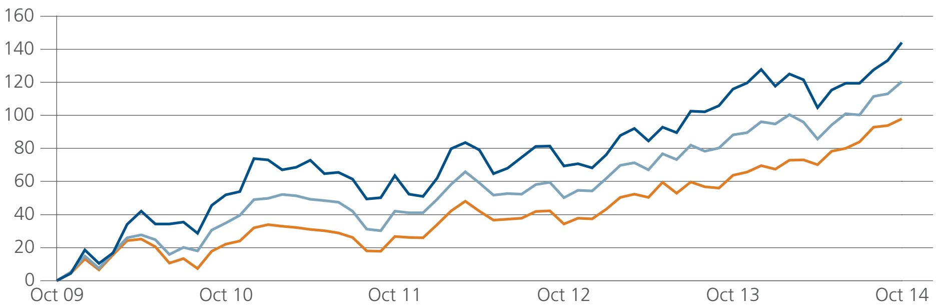
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

Investment Approach

Polar Capital selects companies for their potential for shareholder returns, 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.

Performance

Performance over 5 years (%)



	1 Month	3 Months	6 Months	1 Year	5 Years
■ Ordinary Share Price	4.67	11.18	19.23	12.97	143.98
■ NAV per Share	3.47	10.06	18.64	17.16	120.38
■ Benchmark	2.12	7.64	16.34	20.86	97.91

Discrete Annual Performance (%)

	30/04/14 31/10/14	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	19.23	10.92	2.97	3.61	21.74
NAV per Share	18.64	11.17	5.01	6.64	16.88
Benchmark	16.34	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.

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 full Risk Warnings in the Prospectus.

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.

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 Report and Accounts.

Polar Capital LLP 4 Matthew Parker Street, London SW1H 9NP

T: +44 (0)20 7227 2721 | **E:** investor-relations@polarcapital.co.uk | **W:** www.polarcapital.co.uk

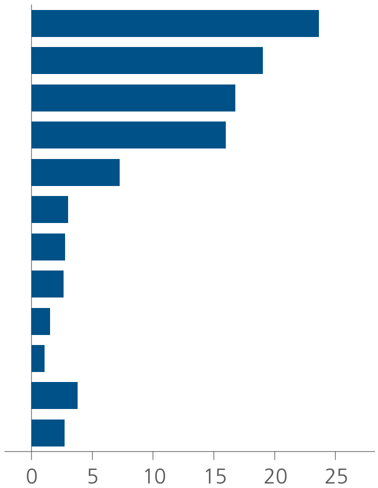
Polar Capital Technology Trust plc

Portfolio Exposure

As at 31 October 2014

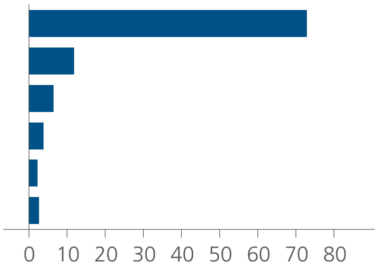
Sector Exposure (%)

Internet Software & Services	23.6
Software	19.1
Semiconductors & Semiconductor Equip.	16.7
Tech. Hardware, Storage & Peripherals	15.9
Communications Equipment	7.2
IT Services	3.0
Elec. Equip. Instruments & Components	2.7
Internet & Catalog Retail	2.6
Healthcare Technology	1.5
Unclassified	1.0
Other	3.8
Cash	2.7



Geographic Exposure (%)

US & Canada	72.9
Asia Pac (ex-Japan)	11.8
Europe	6.5
Japan	3.9
Middle East & Africa	2.3
Cash	2.7



Top 10 Holdings (%)

Apple	9.4
Google*	7.5
Facebook	3.5
Microsoft	2.7
Intel	2.4
Samsung Electronics	1.9
Baidu	1.8
Splunk	1.7
Qualcomm	1.7
Cisco Systems	1.6
Total	**34.2**
Total Number of Positions	**129**

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	68.3
Mid Cap (>$1bn - $10bn)	23.4
Small Cap (<$1bn)	8.3

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

The company has arranged for Shareview Dealing, a telephone and internet share sale service offered by Equiniti to be made available.

Telephone	0800 326 323
Online	www.alliancetrust.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

Trust Characteristics

Launch Date	16 December 1996
Year End	30 April
Results Announced	Mid June
Next AGM	September 2014
Continuation Vote	2015 AGM
Listed	London Stock Exchange

Codes

Ordinary Shares

ISIN	GB004220025
SEDOL	422002
London Stock Exchange	PCT

The entire investment portfolio is published in the annual and semi annual reports and as part of the interim management statement.

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 31 October 2014

Market Review

October proved particularly eventful for equity markets as pronounced weakness during the first two weeks was followed by a remarkable recovery, with the FTSE World Index managing to close the month 1.9% higher in sterling terms. The proto growth scare that rattled markets in September stepped-up a notch during early October following German industrial production data (-4% vs. expectations of -1.5%) that represented the largest drop in activity for four years, while the IMF reduced its 2015 global growth forecast from 4% to 3.8%. Weaker US data (retail sales, PPI and Empire Manufacturing) added to the gloom while Ebola-related newsflow (both rumoured and actual) likely contributed to a growing sense of investor consternation, evident by sharply lower equity markets (both the US and UK correcting c.10% from their recent highs). US 10-year sovereign yields not only breached 2% for the first time since 2012 but also witnessed a 34 basis point one-day move - the largest one-day swing since QE began in March 2009. An increasing sense of panic was also evident in the oil price (-11%) and soaring implied volatility on the S&P 500 (VIX) that intra-month reached its highest level (31) since late 2011.

Fortunately an encouraging start to third-quarter earnings season saw investors take advantage of top-down weakness, driving a sharp market recovery during the second-half of the month, aided by better economic data both in the US (consumer confidence at its highest level since 2007) and internationally (manufacturing PMIs coming in ahead of expectations in China, Japan and the Eurozone). More importantly, rumours of impending asset purchases by the ECB (and fallacious reports that they might even look to buy corporate bonds) helped markets shrug-off weaker US housing (new home prices falling 4% year-on-year, the largest drop since January 2012) and slightly disappointing personal income data. With investors hopes firmly focused on the ECB, it ironically ended up being the Bank of Japan that 'saved the day' when it unexpectedly boosted its asset purchasing programme from approximately ¥50trillion to ¥80trillion including up to ¥3trillion of equities (via ETFs). This, together with some positive Ebola developments (Nigeria said to be virus-free/developed market outbreaks remaining well contained) saw equity markets rally into month-end, while the US remarkably made an all-time closing high.

Technology Review

The technology sector modestly outpaced the broader market during the month, the Dow Jones World Technology Index rising 2.2% in sterling terms, aided by the relative strength of the US market and the dollar. Small-caps rebounded sharply (echoing a broader market small-cap recovery) amid an encouraging start to third-quarter earnings season. The first half of the month saw the technology sector give up ground due to the combination of market weakness and a series of profit warnings, as is the norm during pre-announcement season. Initially these were contained to companies with disproportionate exposure to service provider spending (including Adtran, Juniper, Riverbed and Spirent) reflecting continued weakness in carrier capital spending trends, particularly in North America. However, a surprise profit-warning from Microchip shook the entire semiconductor sector because it was accompanied by a warning from the company that "another industry correction has begun" and presaged the most dramatic one day correction in the Philadelphia Semiconductor Index (-6.9%) seen since the financial crisis. While a number of other semiconductor companies appeared to confirm some near-term order softness, there were more than a few strong results within the Apple supply chain while Intel delivered another strong quarter, aided by both share gains and likely inventory build. The lack of corroborating evidence of an industry downturn allowed stocks to rally substantially from lows before Microchip released its actual results that were not as bad as feared, with the company downplaying its earlier remarks suggesting that the correction was likely to prove mild and might already be over (damaging their own credibility). Apple subsequently reported an exceptionally solid quarter with strong share price performance helpful for the Trust's absolute returns, although providing a headwind to relative performance given its greater weighting in the index.

Elsewhere, Q3 earnings were encouraging with positive results/guidance providing a welcome break from the top-down gloom. Next-generation stocks largely delivered ahead of expectations with noteworthy strength evident within the software as a service (SaaS) and security sub-sectors (strong results and news that JP Morgan suffered a 76 million user data breach). In contrast, Internet stocks had a relatively disappointing earnings season, with macroeconomic weakness and/or the strong US Dollar tripping up a number of eCommerce companies, including Amazon, eBay, Priceline and TripAdvisor while Google delivered a slight miss on FX and UK weakness. Social media fortunes were also mixed with positive results from LinkedIn offset by surprisingly aggressive investment plans at Facebook, disappointing user growth guidance at Twitter and cautious Q4 guidance at Yelp. Chinese Internet stocks fared better with both Alibaba and Baidu posting strong earnings reports. Legacy technology companies delivered mixed results with robust earnings at a number of PC-related companies offset by poor results from a number of incumbent software companies including Citrix, SAP and VMware. However, the weakest incumbent report was posted by IBM who – after a series of disappointing results - delivered a very poor quarter with revenue declining year-over-year in all segments and all geographic regions. Moreover, the company abandoned its $20 FY15 earnings target while admitting that its recent struggles "point to the unprecedented pace of change in our industry", which is in-line with our long-held new cycle thesis. Beyond earnings, technology stocks were supported by continued shareholder-friendly actions including some large buyback announcements (KLA-Tencor, Micron) and further M&A activity with Qualcomm acquiring UK chipmaker CSR (not held) for $2.5bn to bulk-up its Internet of Things (IoT) offering. Post month-end, the Trust benefitted from the acquisition of digital advertising agency Sapient by Publicis for a 44% premium.

Outlook

The sharp snap-back in equity markets has clearly been encouraging with a number of headline indices having broken up through key technical resistance levels (the S&P 500 trading above 2000 at month end). While stocks have been supported by a better than expected third-quarter earnings season, the 'real' news is that policymakers remain alert to the ongoing challenges associated with slower growth and deflationary risk and as such their interests remain firmly aligned with shareholders. This dynamic was most evident in Japan following the BoJ decision to 'double-down' on its QE/ asset purchase policy but improved ECB rhetoric regarding the likelihood of full-blown QE was also reassuring. If nothing else, weaker ex-US data should result in lower interest rates for longer, the BoE chief economist recently pointing to a likely delay in its first rate hike. However, the picture is not entirely rosy given that the US Federal Reserve ended its QE programme during October and the resistance to ECB quantitative easing said to be emanating from the Bundesbank. As such investors are likely to return to key questions (willingness / ability of ECB to act, timing / slope of a US tightening cycle) and as such, we would not be surprised to see further volatility not withstanding our long-held positive stance on equities, particularly relative to other asset classes (bonds/cash).

Fund Manager Comments

As at 31 October 2014

Within the technology sector the picture is fortunately less opaque. Third-quarter results have been broadly supportive of our new cycle thesis with many incumbents (including IBM, Oracle and SAP) struggling due to slower emerging market growth (structural headwinds in China and cyclical pressures), significant currency headwinds and, most importantly, the disruptive impact of new technologies. While it may have taken longer than we expected to get to this stage in the cycle, generalist investors are beginning to understand why many of these larger technology stocks appear cheap (the risk of downward earnings/free cash flow revisions and likelihood of increased spend on M&A). IBM's spectacular fall from grace has clearly helped our cause more recently, although year-to-date, index-orientated / value investors have been bailed out by strong stock price performances at Apple, Intel and Microsoft. We remain confident in our view that PC demand is likely to soften post a Windows XP-related surge in replacement enterprise demand and as such have been further reducing our PC exposure following a significant re-rating, particularly at Microsoft. In contrast, we have most recently added (albeit modestly) to our long-held Apple position because the company remains attractively valued with little-to-no evidence of smartphone maturity showing up in its financials (in contrast to both Qualcomm and Samsung) as it executes on a strong product cycle (iPhone 6/6+, ApplePay and the Apple Watch).

Challenging earnings reports from a number of growth-challenged incumbents strongly support our view that the new cycle has moved into a more pernicious phase. Not only is a softer economic backdrop (particularly in emerging markets) weighing on IT budgets, but new cycle deflation and the shift to a rental model are likely to continue to weigh on legacy companies and their finely-tuned but increasingly anachronistic business models. As such, we have continued to reduce our exposure to incumbents (as promised) such that today the Trust's active share is c. 50% and likely headed higher. We continue to focus on share gainers within the IT budget, and, more importantly, areas where technology-related disruption is occurring beyond traditional IT. As such, favoured investment areas include online advertising, eCommerce, social media, software as a service (SaaS), cybersecurity and digital payments in addition to emerging themes such as robotics, wearable computing and the Internet of Things (IoT).

Having invested a significant portion our liquidity during the recent market setback, the magnitude of the recovery finds us back to where we were a month ago whilst investor sentiment has reached somewhat ebullient levels (the AAII bull-bear index hitting 37, with the lowest number of bears recorded since 2004). While we remain upbeat about the prospects for our portfolio, the recent growth scare may not be fully behind us, evidenced by oil at $78 and the trade-weighted Dollar at its highest levels since 2010. With the end of earnings season fast approaching, investor attention is likely to switch from robust company fundamentals to the more uncertain macroeconomic / geopolitical backdrop. As such, we have booked some recent profits and raised a little liquidity (cash c. 4.9% at time of writing) to provide us with some firepower should the post-BoJ 'glow' fade.

Ben Rogoff

10 November 2014

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 18 years of industry experience.

Nick Evans - Senior Fund Manager

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

Paul Johnson - Junior Analyst

Important Information

Important Information This document is provided for the sole use of the intended recipient and is not a financial promotion. It shall not and does not constitute an offer or solicitation of an offer to make an investment into any fund or Company managed by Polar Capital. It may not be reproduced in any form without the express permission of Polar Capital and is not intended for private investors. This document is only made available to professional clients and eligible counterparties. The law restricts distribution of this document in certain jurisdictions; therefore, it is the responsibility of the reader to inform themselves about and observe any such restrictions. It is the responsibility of any person/s in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Polar Capital Technology Trust plc is an investment company with investment trust status and as such its ordinary shares are excluded from the FCA's (Financial Conduct Authority's) restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to continue to do so for the foreseeable future so that the exclusion continues to apply. It is not designed to contain information material to an investor's decision to invest in Polar Capital Technology Trust plc, an Alternative Investment Fund under the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") managed by Polar Capital LLP the appointed Alternative Investment Manager. In relation to each member state of the EEA (each a "Member State") which has implemented the AIFMD, this document may only be distributed and shares may only be offered or placed in a Member State to the extent that (1) the fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD; or (2) this document may otherwise be lawfully distributed and the shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor). As at the date of this document, the Fund has not been approved, notified or registered in accordance with the AIFMD for marketing to professional investors in any member state of the EEA. However, such approval may be sought or such notification or registration may be made in the future. Therefore this document is only transmitted to an investor in an EEA Member State at such investor's own initiative. SUCH INFORMATION, INCLUDING RELEVANT RISK FACTORS, IS CONTAINED IN THE COMPANY'S OFFER DOCUMENT WHICH MUST BE READ BY ANY PROSPECTIVE INVESTOR.

Statements/Opinions/Views All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. This material does not constitute legal or accounting advice; readers should contact their legal and accounting professionals for such information. All sources are Polar Capital unless otherwise stated.

Third-party Data Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any data contained herein.

Holdings Portfolio data is "as at" the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the the Company. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the Company's best interest to do so. 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. This document is not a recommendation to purchase or sell any particular security. It is designed to provide updated information to professional investors to enable them to monitor the Company. No other persons should rely upon it.

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, 4 Matthew Parker Street, London SW1H 9NP. 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 Administrator 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.

Information Subject to Change The information contained herein is subject to change, without notice, at the discretion of Polar Capital and Polar Capital does not undertake to revise or update this information in any way.

Forecasts References to future returns are not promises or estimates of actual returns Polar Capital may achieve. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. Forecasts are based upon subjective estimates and assumptions about circumstances and events that have not and may not take place.

Performance/Investment Process/Risk Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Factors affecting the Company's performance may include changes in market conditions and interest rates and in response to other economic, political, or financial developments. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), or guaranteed by any bank, and may lose value. No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable.

Allocations The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum or prospectus for a description of the investment allocations as well as the risks associated therewith. Please note that the Company may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. Performance of the Company is dependent on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the Company while minimizing its risk. The actual investments in the Company may or may not be the same or in the same proportion as those shown herein.

Country Specific Disclaimers The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Fund will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.