Polar Capital Technology Trust plc

Trust Fact Sheet
30 October 2020

Trust Facts

Ordinary Shares

Share Price	2095.00p
NAV per share	2197.62p
Premium	-
Discount	-4.67%
Capital	137,315,000 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£3,017.7m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	6.01%

Benchmark

Dow Jones Global Technology Index Total Return Sterling adjusted with the removal of relevant withholding taxes (from 1 May 2013)

Fees [2,3]

Management Fees	
£0 - £800m	1%
£800m - £1.6bn	0.85%
£1.6bn - £2bn	0.8%
Over £2bn	0.7%
Performance	10% over Benchmark
Ongoing Charges	0.93%

FX Rates

GBP/USD	1.2930
GBP/EUR	1.1100
GBP/JPY	135.1702

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 long-term capital growth through investing in a diversified portfolio of technology companies around the world.

Investment Policy

The Company invests its technology assets in a portfolio comprised primarily of international quoted equities which is diversified across both regions and sectors within the overall investment objective to reduce investment risk.

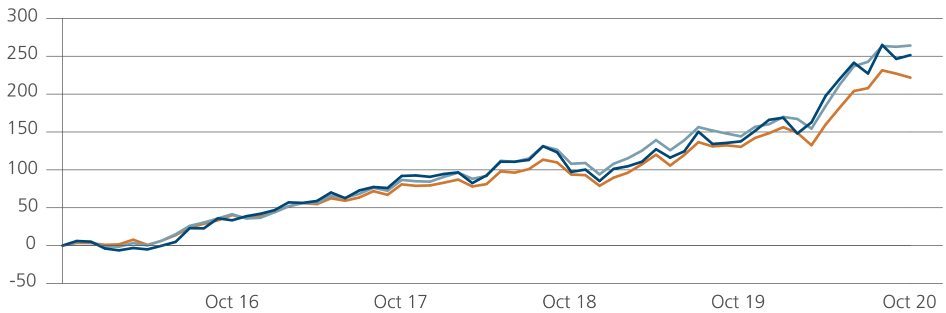
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

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, exploiting international valuation anomalies and sector volatility.

Performance

Performance over 5 years (%)



	1 month	3 month	YTD	1 year	3 years	5 years
Ordinary Share Price (TR)	1.45	7.44	32.09	47.95	83.13	251.51
NAV per share	0.46	6.27	39.85	49.01	94.80	263.64
Benchmark	-1.60	4.51	29.52	39.67	77.93	221.78

Discrete Performance (%)

	30.04.20 30.10.20	30.04.19 30.04.20	30.04.18 30.04.19	30.04.17 30.04.18	30.04.16 30.04.17
Ordinary Share Price	18.09	31.02	17.94	21.22	67.31
NAV per share	28.10	18.62	24.70	22.66	56.13
Benchmark	23.85	18.11	21.44	17.05	53.38

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. The performance fee is subject to a highwater mark and cap. Further details can be found under Corporate Documents of the Company's website: http://www.polarcapitaltechnologytrust.co.uk.
3. Ongoing charges are calculated at the latest published year end date, and exclude any performance fees.

Awards & Ratings

Money Observer Trust Awards 2019 Best Large Trust Highly Commended Polar Capital Technology

Portfolio Adviser Fund Awards '20 Gold Sector Specialist Last Word

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

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

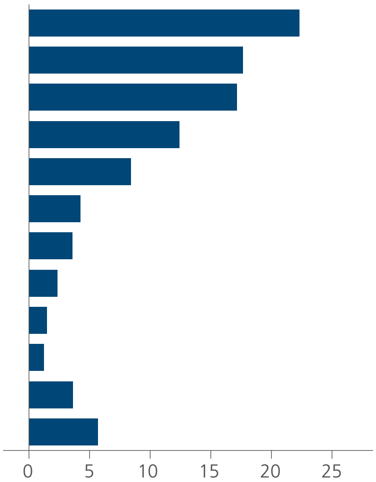
Polar Capital Technology Trust plc

Portfolio Exposure

As at 30 October 2020

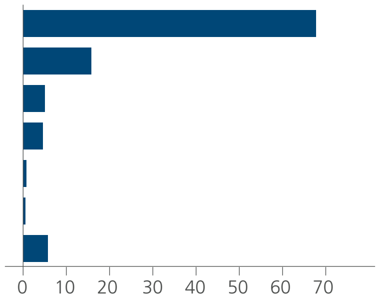
Sector Exposure (%)

Software	22.3
Interactive Media & Services	17.6
Semiconductors & Semiconductor Equip.	17.1
Tech. Hardware, Storage & Peripherals	12.4
Internet & Direct Marketing Retail	8.4
Entertainment	4.2
IT Services	3.6
Elec. Equip. Instruments & Components	2.3
Machinery	1.5
Leisure Products	1.2
Other	3.6
Cash	5.7



Geographic Exposure (%)

US & Canada	67.8
Asia Pacific (ex-Japan)	15.7
Europe (ex UK)	5.0
Japan	4.6
UK	0.7
Middle East & Africa	0.5
Cash	5.7



Top 15 Holdings (%)

Apple	9.3
Microsoft	8.2
Alphabet	6.3
Facebook	5.0
Alibaba	4.0
Tencent	3.8
Samsung	2.8
Amazon.com	2.6
Taiwan Semiconductors	2.6
Adobe Systems	2.2
NVIDIA	2.0
Advanced Micro Devices	1.8
Salesforce.com	1.7
Netflix	1.4
Qualcomm	1.3
Total	**55.0**

Total Number of Positions **100**

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	89.5
Mid Cap ($1bn - $10bn)	9.8
Small Cap (<$1bn)	0.8

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 July
Next AGM	September 2021
Continuation Vote	2025 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.

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Note: Totals may not sum due to rounding.

Fund Manager Comments

As at 30 October 2020

Market review

Global equity markets continued their decline in October with the MSCI All Country World Index falling -2.7%, while the S&P 500 and DJ Euro Stoxx 600 fell by -2.9% and -5.9% respectively (all returns in sterling terms).

October began positively, bolstering the rebound from the September lows. Unfortunately, this proved short-lived, the ensuing correction culminating in the worst week for markets since the depth of the COVID-19 crisis in March. Catalysts ascribed to the deterioration included US election uncertainty, ongoing US fiscal stimulus stalemate, headlines about rising COVID-19 cases and an absence of vaccine updates.

Economic output surged in Q3 as economies partially reopened. In the US, GDP expanded at a record 33% annual rate, while Europe grew at an impressive 51% presented in the same annualised format. The recovery was not enough to fully recoup the deep damage from the previous two quarters, but it did bring the level of GDP in the US to only 3.5% below the pre-pandemic peak achieved in Q4 2019 (Europe remains 5% below).

Economic activity indicators continue to improve, albeit with a moderation in the pace of improvement given momentum of the recovery to date. Global manufacturing PMIs reached a new cycle high of 54.2 in October, up from 52.9 in September. Importantly the new orders sub-index – the key forward-looking indicator – increased to 57.7. In China, the official manufacturing PMI came in above expectations at 51.4, a modest pullback from 51.7 in September, while the non-manufacturing PMI increased to 56.2, bringing the composite PMI index reading above expectations. In aggregate, the economic data in October sent a strong signal that the robust expansion in the global manufacturing cycle continues. In contrast, European data is starting to reflect the impact of a second wave of COVID-19 and associated lockdowns. European manufacturing output growth was sustained as the PMI reached 54.8 but this was counterbalanced by a further contraction in service sector activity, reflected in the services PMI declining to 46.9. This combination placed the Eurozone Composite PMI at 50, its third consecutive monthly decline, and on the cusp of contraction.

Technology review

The technology sector outperformed the broader market during October, the Dow Jones Global Technology Index declining by 1.6%. Large caps underperformed during the month, driven by weakness in several mega-caps, the Russell 1000 Technology Index declining by 2.5% while small caps (as measured by the Russell 2000 Technology Index) gained 1.5%. The semiconductor subsector outperformed during the correction, the SOX Semiconductor Index declining 0.1% aided by strong Q3 results and M&A activity (discussed below) while the NASDAQ Internet Index and the Bloomberg US Software Index fell by 1.2% and 4.5% respectively (all returns in sterling terms).

Third quarter earnings season was broadly encouraging for the technology sector. Internet stocks were robust as expected. Amazon reported 3Q revenue of $96.1bn, up 36% y/y, with its online store segment growing 37% y/y on broad-based strength. Third-party seller services gained 53% y/y, while Amazon Web Services (AWS) maintained its growth rate at 29% y/y. Operating margins expanded 200bps y/y to 6.4% (above consensus at 5.1%) resulting in EPS of $12.37, well above consensus at $7.41. However, the stock slipped on Q4 operating income guidance of $1bn-$4.5bn, well below consensus at $4.6bn due to an incremental $4bn of COVID-19-related costs (testing, PPE, lost productivity).

Elsewhere, Alphabet (Google) and Facebook both delivered better than expected results in the digital advertising space**.** We added to Alphabet before and after the company reported better than expected revenues across all segments, with a reacceleration in advertising (search +6% y/y; YouTube +32% y/y) and cloud (+45% y/y). In addition, expense/cost reduction measures taken over the past two quarters drove a big operating income beat, with margins at a two-year high. We also added to Facebook before and after results, as revenue grew 21% y/y, accelerating throughout the quarter from 10% y/y in July. Engagement also continues to grow, with total monthly/daily active users (MAU/DAU) both increasing 12% y/y. Management also disclosed that WhatsApp has over 100 billion messages exchanged per day (5x the peak of SMS daily messages). However, positive revenue trends were offset by cautious commentary regarding headwinds from Apple's IDFA (privacy related) changes and regulatory uncertainty, as well as increased cost guidance for 2021.

Internet strength was broad-based, with Snapchat and Pinterest also delivering ahead of expectations. Pinterest delivered revenue growth of 58% y/y in the quarter, driven by new ad products (shopping ads/auto bid) and investments in the European sales team, both of which should remain tailwinds going forward (management guided to a further acceleration to +60% y/y in the fourth quarter). Engagement trends were robust, with 26 million MAU added (including two million in the US) taking the total to 442 million, +37% y/y, while International ARPU (still well below US levels) was up 66% y/y. Adjusted EBITDA margin reached 21% from 1% last year as top-line growth flowed through to the bottom line. Snapchat posted very strong numbers, with revenue up 52%y/y, well above sell-side expectations at 26% y/y and buy-side expectations at >30% y/y. DAU grew by 11 million q/q to 249 million versus guidance of 6 million q/q, while direct-response advertising strength and a recovery in brand spending led to a significant increase in ARPU and a positive EBITDA quarter. No formal guidance was given but absent a new COVID-19-related slowdown, management believe they could achieve 47-50% y/y growth in the fourth quarter.

Netflix slightly missed third quarter net subscriber additions, at 2.2 million versus guidance at 2.5 million and consensus at 3.3 million due to earlier COVID-19 'pull-forward'. Churn remains below pre-COVID-19 levels and content production has now resumed with the company expecting 150 projects to finish shooting by year-end. After another free cash flow (FCF) positive quarter, the company raised 2021 FCF guidance to -$1bn to breakeven. This looks achievable given that Netflix later raised US pricing for the most popular standard plan by $1 to $14 per month and for the premium tier by $2 to $18 per month (+8-20%), weeks after stopping free trials.

Big Tech regulation remained in focus during the month with the publication of a House Judiciary subcommittee report on the monopoly power enjoyed by Facebook, Alphabet, Amazon and Apple. Chair David Cicilline implied that Alphabet and Facebook regulation is more imminent than it is for Amazon and Apple. Encouragingly, Alphabet stock rallied

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when the Department of Justice filed its long-expected antitrust lawsuit, which alleges the company has unlawfully maintained a monopoly in 'search' by cutting off rivals from key distribution channels. The relief action seemed to reflect the limited scope of the lawsuit, which is largely focused on app pre-installations and default search distribution deals with Apple and Android OEMs, rather than broader issues around search results prioritisation or anything that could result in a company breakup or a meaningful change to Alphabet's business model. Facebook could face an FTC antitrust lawsuit in the next few weeks that covers the company's history of acquisitions among other issues.

Results were mixed in the software sector. In the enterprise market, SAP* slashed both annual and medium-term guidance, ostensibly due to a muted demand recovery and the reimposition of lockdowns in Europe, although Salesforce CEO Mark Benioff was quick to label SAP's troubles as "unique to them", noting "they have not executed the cloud opportunity well" (we concur). Microsoft top and bottom-line results were solid, as expected, with robust performance from the Office and Azure (+48% y/y) businesses, driven by work from home and digital transformation trends, while on-premise server products declined by 1% y/y. Next-quarter guidance was slightly below consensus expectations and the stock sold off after a strong run, but the long-term opportunity is undiminished.

ServiceNow delivered a strong quarter, with subscription billings +25% y/y, benefiting from record Federal government demand. Next quarter billings guidance was in line, while operating margin guidance was lower than expected as management expect to continue hiring through the pandemic to support growth in 2021. Cloud communications' platform as a service provider Twilio issued bullish guidance at its Investor Day at the start of the month, targeting a 30% four-year compound annual revenue growth rate (CAGR) and demonstrated impressive new applications which should drive higher margins over time. The company later reported strong results with revenue growth accelerating to 52% y/y (from 46% y/y last quarter), well above consensus expectations, driven by ongoing work from home demand, and guidance for 36-37% y/y growth in Q4 was above consensus at 30% y/y.

Online educational platform provider Chegg also reported a very strong Q3 with revenues +64% y/y, well ahead of guidance and consensus estimates due to a higher-than-expected take-up of its higher priced Study Pack subscription and strength in international markets (driven by COVID-19). The stock fell, however, on initial 2021 guidance which was above consensus but implies a deceleration to +24% revenue growth (likely conservative), from +53% in 2020.

Games developers had a mixed Q3 with Electronic Arts* and Zynga* disappointing investors while (fortunately) our holdings in Activision Blizzard and Take-Two Interactive Software delivered more upbeat results. Activision Blizzard delivered strong results, with net bookings +46.3% y/y, above consensus, due to phenomenal performance from the Call of Duty franchise, with Activision segment revenue +270% y/y. Management unusually gave early guidance for next year, with revenue and operating profit expected to grow from current 2020 guidance, despite the difficult comparisons, indicating confidence in the pipeline. Sony also suggested they were seeing "very considerable" PS5 demand ahead of launch and is targeting 100 million lifetime unit sales (similar to the PS4). Microsoft also spoke of "very strong demand" for next-gen Xbox Series X & S.

The much-hyped Apple iPhone 12 launch event (5G phones) was largely in line with expectations with respect to product pricing, shipping dates and specifications. We believe the pricing tiers, features and accessories, in combination with more aggressive carrier promotions, are likely to ensure a strong product cycle. Apple's results were somewhat of a sideshow but were solid, with revenue +1% y/y, with unsurprisingly weaker iPhone sales (-21% y/y) ahead of the iPhone 12 launch, offset by Services (which reaccelerated to +16% y/y), as well as iPad (+46% y/y) and Mac (+26% y/y), which had record quarters despite supply constraints and store closures. Gross margin improved, driven by the mix shift to services. Management did not give formal guidance for the next quarter, which they blamed on product launch delays, but said they expect iPhone revenues to grow y/y and the rest of the segments to grow double digits.

In the semiconductor sector, Taiwan Semiconductor Manufacturing Company (TSMC) Q3 results were better than expected, with revenue +22% y/y, largely due to strong demand for leading 5nm and 7nm nodes led by strong 5G smartphone (+14% y/y) and high-performance computing (+55% y/y) applications. Management raised its 2020 revenue forecast from +20% to +30%. STMicroelectronics also reported solid Q3 results, with revenues +27% q/q, above initial guidance for +14-21% q/q, driven by a rebound in automotive production, an acceleration in demand for microcontrollers and personal electronics (likely Apple).

Unsurprisingly, Intel* results were impacted by slowing Data Center (server) revenues in the face of poor execution and tougher competition from Nvidia and Advanced Micro Devices (AMD), while gross margins were weaker than expected. In contrast, AMD delivered strong results and quarterly guidance, with record quarterly server revenue due to strong cloud and enterprise adoption. AMD also announced the acquisition of FPGA manufacturer Xilinx in a $35bn all-stock deal, which will expand AMD's total addressable market from $80bn to $110bn. Management expects to realise $300m of cost synergies within 18 months of closing and AMD remains a core position for the Trust. Semiconductor M&A continued apace with Marvell Technology* acquiring Inphi* in a $9bn cash and stock deal a few days later.

In a month full of surprises, the widely anticipated Ant Group IPO – expected to be the largest IPO in history – was dramatically halted due to new regulations that were announced in (perhaps rushed) draft form on 2 November and set to be introduced in the near future. Ant Group has created a highly valuable big-data-infused, technology-driven digital platform that enables real-time dynamic risk assessment and accurate risk pricing to address the underserved consumer and SME credit demand. Although the impact on the existing business would be minimal, the new regulations could increase capital requirements on new business which would likely weigh on sentiment. The whole episode suggests the Chinese leadership might be looking to rein in Big Tech. With this regulatory overhang unlikely to dissipate for now, we trimmed our overall exposure.

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Outlook

Despite all the anticipation, the morning of 4 November after the US elections proved something of an anti-climax. Delayed postal vote counting in many key swing states led to an extended period of uncertainty lasting most of the week. While President Trump is yet to concede – instead, pursuing legal challenges in many states – his tenure in the White House appears to be drawing to a close, with most global leaders congratulating Joe Biden and Kamala Harris on their victory. While the Democratic party have emerged as winners, they did so without the widely predicted 'blue wave'/clean sweep that many polls predicted. At the time of writing, it appears we will have to wait until January for run-off Senate races in Georgia to discover whether the Republicans have maintained control of the Senate.

Despite this near-term political uncertainty, markets responded positively with a narrower Democrat victory all but ruling out a more radical policy agenda, such as feared hikes to corporate tax rates and massive fiscal stimulus which might result in higher interest rates. In addition, a Biden win may presage a calmer period in US-Sino relations, while for Big Tech, the probability of worst-case regulatory outcomes appears reduced under a divided Congress.

Just a few days after the election, Pfizer announced preliminary data suggesting its relatively new, MRNA-based vaccine is more than 90% effective at preventing infection. While the trial is ongoing and safety data has not yet been released (unlikely until the official trial ends), this is a significant event in the global fight against COVID-19, and was heralded as "extraordinary" by Dr. Anthony Fauci, the leading infectious disease expert in the US. The subsequent market reaction saw bond yields move sharply higher and a remarkable (if understandable) rotation from growth to value with work from home/stay at home 'winners' sold down heavily in favour of groups and companies that have suffered the most from lockdown. According to JP Morgan, this violent rotation represented a 10 standard deviation event while the tech-rich NASDAQ index suffered its worst day relative to the S&P 500 in the post-Lehman era.

While the battle against COVID-19 is by no means over, the Pfizer news appears to represent a key moment in the conflict and a salient reminder that this pandemic will be over at some point. Clearly much depends on the successful conclusion of the Pfizer trial, as well as other promising trials such as those from Oxford University/Astra Zeneca and Moderna, with results eagerly awaited for both before year end. At the same time, excitement about vaccine progress must be weighed against the risk associated with second waves that are unfolding across the globe.

Alive to the risk of further factor rotation against a backdrop of extreme outperformance of growth over value during the pandemic (with valuations aided by low interest rates and growth scarcity), we pared our exposure to some of our largest stay-at-home beneficiaries and exited a few stocks where valuations appear extended or where year-over-year comparisons in early 2021 will be challenging. In return we have added to stocks (existing and new) that we expect to benefit from a global reopening or more normalized macroeconomic backdrop.

However, despite this recalibration of the portfolio we retain high conviction in our 'new normal' thesis. COVID-related behavioural changes will persist long after the pandemic, particularly where new solutions address inefficient, expensive or outdated practices. Telemedicine, digital payments, online banking, social commerce, direct-to-consumer retail and food delivery are just a few consumer-facing trends and applications we expect to persist. Likewise, businesses are not likely to return to earlier practices having embraced next-generation software that facilitates higher productivity and flexible working patterns. The need for businesses to digitally transform themselves to avoid obsolescence will not cease with a vaccine, nor do we expect industries that were challenged before COVID-19 to enjoy lasting succour from reopening. As Satya Nadella recently noted on a Microsoft earnings call: "In a world of uncertainty and constraints, every person and every organization need more digital technology to recover and reimagine what comes next".

As such, we have retained our bias towards our eight core themes with strong underlying secular drivers, especially stocks with TAM expansion, market share or content gain potential, but we are now also looking for those with the potential to benefit from cyclical tailwinds. We have already begun to cautiously add a number of new stocks in areas such as online travel, EV/automotive, industrial automation and 5G in order to begin transitioning the portfolio for the recovery phase. We remain constructive on the outlook for the technology sector and the Trust as the world begins to, hopefully, emerge from this challenging period.

* Not held in Fund

Ben Rogoff

16 November 2020

Polar Capital Technology Trust Management Team

Ben Rogoff

Partner, Technology

Ben has managed the Trust since 2006, he joined Polar Capital in 2003 and has 25 years of industry experience.

CITYWIRE A

Source & Copyright: CITYWIRE. Nick Evans & Ben Rogoff have been awarded an A rating by Citywire for their 3 year risk-adjusted performance for the period 30/09/2017 - 30/09/2020.

Nick Evans - Partner

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

Alastair Unwin - Fund Manager/Analyst

Chris Wittstock - Senior Investment Analyst

Bradley Reynolds - Investment Analyst

Paul Johnson - Investment Analyst

Nick Williams - Investment Analyst

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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 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.

Benchmarks

The following benchmark index is used: Dow Jones Global 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. The benchmark used to calculate the performance fee is provided by an administrator on the ESMA register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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.

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 (including currency risk) and interest rates and in response to other economic, political, or financial developments. The Company's investment policy allows for it to enter into derivatives contracts. Leverage may be generated through the use of such financial instruments and investors must be aware that the use of derivatives may expose the Company to greater risks, including, but not limited to, unanticipated market developments and risks of illiquidity, and is not suitable for all investors. Those in possession of this document must read the Company's Investment Policy and Annual Report for further information on the use of derivatives. 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.