

Polar Capital Partners Factsheet

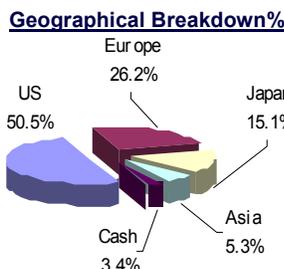
Polar Capital Technology Investment Trust Plc.

28 April 2006

Price:		Fund Particulars:		Portfolio Analysis:	
Share Price	245.00	Management:	Polar Capital LLP	Gearing: (10.8)%	
NAV per Share	255.60	Sales/Marketing:	+44 207 227 2709	The gearing figure is calculated by dividing the Trust's gross assets by its net assets. This calculation ignores the effect of any cash or fixed interest holdings.	
Discount	4.1%	Lead Managers:			
Net Yield	N/A	Brian Ashford-Russell/Ben Rogoff			
Gross Total Assets	£401.2m	Established December 1996			
Management Fee	1%p.a plus performance fee				

<u>Top Ten Holdings</u>	<u>%</u>
Qualcomm	1.3
Wincor Nixdorf	1.3
Nomura Research Inst	1.2
JSR	1.2
NHN	1.1
Aruze	1.1
Dena	1.1
Murata	1.1
Aveva Group	1.1
Network Appliance	1.1
Total Top Ten :	11.6

<u>Sector Breakdown</u>	<u>%</u>
Semi Conductors	18.0
Services	13.9
Healthcare	12.9
Software	12.1
Computing	10.8
Other sectors	9.9
Comms Eq (ex wireless)	6.1
Consumer	3.6
Wireless	3.5
Telecoms/media	3.3
Electronic Components	3.0
Defence	2.9

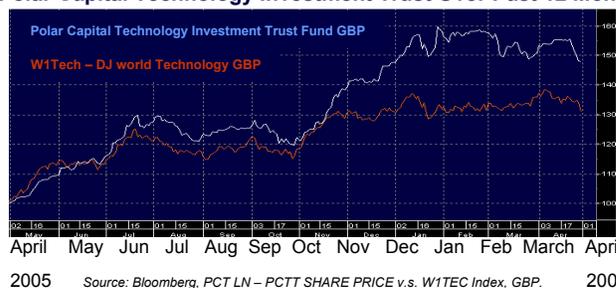


<u>Market Cap</u>	<u>%</u>
Large(> \$10bn)	37.7
Medium(\$1-10bn)	38.1
Small (<\$1bn)	24.2

Performance Over:	1yr(%)	3yrs(%)
Share Price	48.04	103.32
NAV Diluted	34.42	80.88
FT/S&P World Index	30.38	52.58

All figures capital performance only; Source HSBC

Polar Capital Technology Investment Trust Over Past 12 Months



Manager Comment

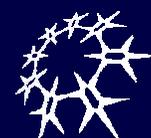
Equities made further headway during April as global growth forecasts continued to be revised higher due to positive macro-economic data and an encouraging absence of malign headline inflation. Technology stocks lagged broader averages with the Dow Jones World Technology Index rising 0.7% in US Dollar terms as compared to 3.0% achieved by the FTSE All-World Index. Unfortunately from a Sterling-investor perspective, a very weak US Dollar more than offset positive stock returns resulting in a negative NAV return for April. Whilst upward revisions to US growth forecasts have generally lagged, recently published advanced Q1 GDP figures (+4.8%) hardly point to an economy on the ropes. Likewise, despite higher interest rates, energy bills and a somewhat softer real-estate backdrop, US consumer sentiment has remained firm, buoyed instead by job growth and wage inflation. In Europe, robust conditions continue to be reflected in upbeat business confidence surveys whilst Japanese data still points to the above trend growth.

As in March, an improved macro-economic backdrop was again met by higher energy prices and higher bond yields. At the short-end, the ECB signalled a likely rate hike in June, whilst in Japan the market has already begun to discount rates at 0.5% by year-end. Yield curves steepened significantly in most geographies, with the some key levels being broken or at least tested. This was equally true in the US where US ten year yields breached 5% despite FOMC meeting notes alluding to the nearing end of the rate cycle. Ironically the steeper yield curve should afford the Fed greater flexibility going forward. Oil rose a further 8% during April despite high US inventory levels as the Iranian issue dragged on, with UN sanctions a potential disruptive outcome. Again, as in March, equities did well to shrug off these headwinds, aided by a positive (so far) earnings season, support from multi-sector M&A activity and credit spreads that tightened further.

Little has occurred since last month's report to alter our optimistic assessment for markets, and more importantly our belief that a turning point in our sector's relative fortunes is approaching. At the margin, we have rotated money away from the semiconductor sector as a number of our cycle indicators are reminiscent of early 2004; deterioration in these measures will be met with further rotation. As we enter a seasonal period that has rarely (relatively) rewarded the tech investor, we suspect that our sector's underperformance may well continue although we think absolute pullbacks ought to be modest given balance sheet strength, undemanding valuations and unrelenting M&A. With this in mind, we have allowed liquidity to only drift a little higher.

On a positive note, we have a new addition to our roster of themes that we believe to be at or nearing inflection points, namely 'next-generation lighting'. We have been monitoring the progress of LED technology for some time believing that an inflection point was some years away. However, technology advances combined with high energy prices have ameliorated payback periods. We also believe that the current focus on alternative energy sources will necessarily shift towards the pursuit of reducing energy consumption. Lighting today accounts for over 20% of US energy consumption; wholesale adoption of LED-based lighting could reduce this to just 7%. With this in mind, we think favourable legislation and/or subsidies are inevitable.

Ben Rogoff, 8th May 2006



Investment Rational: Over the last two 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 broad market, reflecting the accelerating rate of adoption of new technology. Technology is transforming the competitive position of companies and entire economies, thereby fuelling a major secular increase in technology spending.

Approach: Polar Capital Technology Trust selects companies for their potential for generating capital growth, 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

Polar Capital Technology Investment Management Team

Polar Capital Technology Trust is managed by the Polar Capital Partners technology team. Polar Capital was established by the senior technology fund managers previously responsible for Henderson's specialist technology funds. Today's Polar technology team comprises six investment professionals:

Polar Capital Technology Investment Trust Lead Managers:



Brian Ashford-Russell: Was Head of the Technology Team at Henderson (previously Touche Remnant) from 1987 until his resignation to set up Polar Capital in September 2000. He has been the appointed fund manager of Polar Capital Technology Trust since its launch in 1996 as Henderson Technology Trust, and was also the manager of HTT's predecessor, TR Technology, from 1988 to 1998. He managed the Henderson Global Technology Unit Trust from its launch in 1984 to 1996 as well as a number of other funds.



Ben Rogoff: Deputy manager of the trust responsible for managing the US technology portfolio and assisting in the asset allocation process. He has been a technology specialist for eight years having begun his career in fund management at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 where he spent four years as a senior technology manager prior to joining Polar Capital in May 2003.

Technology Investment Management Team:

Tim Woolley – Fund Manager

Began his career at Prolific as a trainee US fund manager in 1987. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap technology companies. Tim left with Brian to establish Polar Capital Partners in 2001

Craig Mercer - Fund Manager

Craig has over seven years fund management experience. He joined Scottish Equitable (later Aegon) in 1997 after gaining an economics degree from York University. He was responsible for the Aegon Japan OEIC. At Polar he focuses on Japanese technology stocks working closely with the Polar Capital Japan team.

Emma Parkinson - Analyst

Emma has worked with Brian and Tim for the last eight years as a European technology analyst, initially at Henderson and at Polar Capital from its formation. Prior to this she was an US small cap specialist with Touche Remnant and Charterhouse Bank.

Diana MacAndrew - Analyst

Diana graduated from Durham University in 2000 and has been employed at Polar Capital since its inception in January 2001. She is responsible for coverage of the global semiconductor sectors.

Polar Capital Technology Trust PLC is an investment trust listed and traded on the London Stock Exchange.

All sources Polar Capital Partners unless otherwise stated. Please remember that past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment. Issued in the UK by Polar Capital LLP. Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the Financial Services Authority. A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP

