

Polar Capital Partners Factsheet

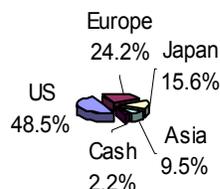
Polar Capital Technology Investment Trust Plc.

31 January 2006

Price:		Fund Particulars:		Portfolio Analysis:	
Share Price	261.50	Management:	Polar Capital Partners Ltd	Gearing: 112.8%	
NAV per Share	251.74	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.	
Premium	3.81	Lead Managers:			
Net Yield	N/A	Brian Ashford-Russell/Ben Rogoff			
Gross Total Assets	£337.9m	Established December 1996			
Management Fee	1%p.a plus performance fee				

<u>Top Ten Holdings</u>	<u>%</u>	<u>Sector Breakdown</u>	<u>%</u>
Motech	2.8	Semi Conductors	21.7
Tokyo Electron	1.6	Other Sectors	13.6
JSR	1.5	Healthcare	11.9
Genetech	1.3	Software	10.9
Medtronic	1.3	Services	10.7
Konica Minolta	1.3	Computing	9.2
Murata Manufacturing	1.2	Comms Eq (ex wireless)	5.1
Qualcomm	1.2	Consumer	4.2
Apple Computers	1.2	Electronic Components	3.8
Keyence	1.1	Telecoms/Media	3.7
Total Top Ten :	14.5	Wireless	2.8
		Defence	2.5
		Futures & Options	-0.1

Geographical Breakdown%



Market Cap

Market Cap	%
Large (> \$10bn)	38.4
Medium (\$1-10bn)	35.9
Small (<\$1bn)	25.7

Performance Over:	1yr(%)	3yrs(%)
Share Price	51.59	135.06
NAV Diluted	26.65	95.48
FT/S&P World Index	23.73	61.96

All figures capital performance only; Source HSBC

Polar Capital Technology Investment Trust Over Past 12 Months



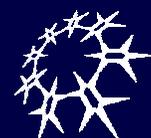
Manager Comment

2006 got off to a strong start with global equity markets heading higher in January. Dovish commentary early in the month emanating from the Federal Reserve suggested that the US interest rate cycle was nearing its conclusion. Better than expected CPI and PPI readings and a core market-based PCE price index below 2%, added further credence to the 'end-of-cycle' view. Whilst Q1 earnings season has so far exceeded expectations, high-profile disappointments from the likes of General Electric, Citigroup, Yahoo! and Intel have weighed on large-capitalisation indices; whilst the S&P 500 rose 2.5% during January, the smaller-cap Russell 2000 moved almost 9% higher. Technology shares comfortably outperformed the broader market, with small-capitalisation issues (as measured by the Russell 2000 Technology Index) gaining more than 11% during the month. These positive returns were diluted by dollar weakness (-3.7% vs. Sterling), the natural corollary of a positive view on the rate cycle due to the perceived peak in interest rate differentials.

As in the US, European and Asian technology stocks put in strong performances. Economic news in both regions has been broadly positive. In Europe, improved domestic demand has resulted in upward GDP revisions for 2006, and the increasingly likelihood of a further ECB rate rise in March. Whilst Japanese economic news has been broadly positive, the market experienced a sharp correction early during the month with the 'Livedoor' scandal (a high-profile internet company accused of securities fraud) acting as catalyst. The 6% market pullback in Japan was followed by a sharp rebound that saw mainstream stocks recover their losses. However, small-cap issues, which had exploded to the upside in late 2005, ended January 18% lower as measured by the Mothers market; a prolonged period of consolidation looks likely in our view. Whilst this could be viewed as evidence of recoiling risk appetite, other measures such as the performance of emerging markets (both equity and debt) and narrow credit spreads remain positive.

Having reduced our liquidity in December, we remain relatively fully invested today, encouraged by valuations that appear to have already priced in (modestly) slowing US growth in 2006, and above-average corporate profitability. Balance sheets remain exceptionally supportive, as does the M&A backdrop, which should help underpin markets as long as cheap global debt prevails. Of course, there are risks to this upbeat prognosis including higher energy prices, geopolitical dislocation, (not least how the West counters Iran's nuclear ambitions), and uncertainty associated with a new Fed Chairman. However, in our view inflation remains the most potent risk to equity markets in 2006; any evidence that commodity / energy prices were beginning to impact core inflation would deal a significant blow to the current view of 5% peak rates (we are at 4.5% today, post the late-January hike). Risks notwithstanding, we remain upbeat and increasingly confident that the technology sector is approaching a relative turning point, a view seemingly supported by a number of technology themes that we believe are at or approaching inflection points.

Ben Rogoff, 14th February 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 SW1N 9HP

