

# Polar Capital Partners Factsheet

## Polar Capital Technology Investment Trust Plc.

31 October 2006

<b>Price:</b>		<b>Fund Particulars:</b>		<b>Portfolio Analysis:</b>	
Share Price	231.75	Management:	Polar Capital LLP	<b>Gearing: 112.39%</b>	
NAV per Share	232.54	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 (calculated on diluted NAV)	0.43%	Lead Manager:	Ben Rogoff		
Net Yield	N/A	Established	December 1996		
Gross Total Assets	£365m				
Management Fee	1%p.a plus performance fee				

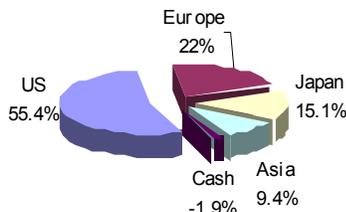
### Top Ten Holdings

	%
Renesola Ltd	2.88
Zeon	1.67
Amgen	1.42
Broadcom	1.41
KLA Tenor	1.40
Nidec	1.37
Keyence	1.33
Nat Semiconductor	1.32
Network Appliance	1.29
LAM Research	1.28
<b>Total Top Ten :</b>	<b>15.37</b>

### Sector Breakdown

	%
Semi Conductors	21.4
Software	15.4
Other Sectors	12.9
Healthcare	11.8
Services	9.7
Computing	8.2
Comms Eq (ex wireless)	6.3
Wireless	4.4
Electronic Components	4.1
Defence	2.7
Defence	2.6
Telecoms/Media	0.5

### Geographical Breakdown%



### Market Cap

	%
Large (> \$10bn)	31.9
Medium (\$1-10bn)	41.6
Small (<\$1bn)	26.5

### Performance Over:

	1yr(%)	3yrs(%)
Share Price	14.44	36.52
NAV Diluted	6.52	22.49
FT/S&P World Index	11.44	34.31

All figures capital performance only; Source HSBC

### Polar Capital Technology Investment Trust Over Past 12 Months



Oct Nov Dec Jan Feb Mar Apr May June July Aug Sep Oct  
2005 Source: Bloomberg, PCT LN - PCTT SHARE PRICE v.s. WITEC Index, GBP. 2006

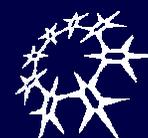
### Manager Comment

Global equities added modestly to their post-July gains with the FTSE World Index rising 1.5% during the month (£ terms). Continued oil price weakness and benign Fed commentary following the decision to leave Fed Funds on hold acted as a catalyst for the market. Technology issues underperformed globally as the sector digested a mixed earnings season following a strong period of relative performance. As a result the DJ World Tech Index rose just +0.9% (£ terms), with Sterling strength further hindering overseas returns.

In the US markets have been dominated by a positive earnings season that was partially offset by disappointing guidance from some of the most economically sensitive groups, reflecting slowing growth and inventory drawdowns. As a result semiconductor stocks performed relatively poorly as companies reined in Q4 expectations as we anticipated. Other areas fared better following strong earning reports as exemplified by the biotech and internet sub-sectors which rose +14.1% and 8.5% respectively. Lackluster reports from Nokia and SAP saw tech stocks under perform European markets that headed higher on constructive macroeconomic news flow. Despite a positive Japanese earnings season Asian tech stocks lagged their broader markets due to an absence of upward revisions to consensus numbers.

Reflecting our view that the sector has finally reached a relative inflection point, we moved the fund to a modestly leveraged position during the month, adding to higher beta sectors, such as semiconductors, and to all geographies except Europe. Despite a sharp rebound in markets post July we remain positive about the outlook for markets into 2007. Our macro view continues to be constructive, a stance recently bolstered by further energy price declines and soothing Fed rhetoric. Equities should be well supported by valuations that remain undemanding, ongoing M&A activity, strong cash flow generation and more favourable seasonality through year-end. Key risks remain resurgent energy prices, geopolitical dislocation and weaker than anticipated US growth.

Ben Rogoff, 5th November 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:**



#### **Ben Rogoff – Fund Manager**

In June 2006, he took over the responsibility for managing the portfolio following three successful years running the US portfolio.

Ben has been a technology specialist for over ten 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.



#### **Craig Mercer – Deputy Manager**

In June 2006 Craig became the Deputy Manager of the Trust.

Craig has nine 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.

#### **Technology Investment Management Team:**

#### **Brian Ashford-Russell – Founder/Director of Polar Capital Partners**

Remains on the trust board and is responsible for asset allocation strategy for the trust.

Brian 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 had 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.

#### **Tim Woolley – Fund Manager (Founder/Director of Polar Capital Partners)**

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

#### **Emma Parkinson - Analyst**

Emma has worked with Brian and Tim for the last fifteen 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

