

Fund Manager Comment

Market Performance

Equity markets lost further ground during the month with the FTSE World Index falling 1.4% in Sterling terms. Headline returns clearly do not do justice to the true volatility and scale of events during a month which witnessed the collapse of a number of hedge funds amid mounting fears of forced de-leveraging. Volatility and risk aversion spiked further as rumours circulated that a major US bank was close to collapse. Recognising the systematic risk that this would represent to the banking system, the Fed pumped substantial liquidity into the system via more flexible lending facilities and a 0.75% interest rate cut. The rumours turned out to be true and resulted in a brilliantly executed (Fed sponsored) takeover of Bear Stearns by JP Morgan, the decisiveness of which saw equities make a low, then rally significantly during the remainder of the month.

Technology Performance

Technology shares modestly outpaced the broader market, the Dow Jones World Technology Index falling 0.5% in Sterling terms. The US was amongst the better performing markets whilst Japanese technology stocks (particularly small caps) struggled due to the strengthening Yen. We had expected more negative pre announcements during the month due to the weakening economic backdrop, but in fact corporate news flow has been relatively limited and mixed. Whilst we saw solid numbers and reaffirmation of guidance from both Adobe and Accenture, Oracle reported disappointing licence growth and admitted that they were seeing sales cycles lengthen.

Outlook

In recent commentary to US Congress, Ben Bernanke appears to have now conceded that the US is in a recession. The IMF also recently reduced their global growth forecast to the lowest levels since 2002 and introduced a 25% chance of a global recession. Against this backdrop we expect ongoing aggressive Fed action, but continuing weakening of headline economic data. We continue to believe that there remains a downward bias to 2008 earnings estimates (both for the broader market and for technology) which have yet to fully reflect the new macroeconomic environment. With first quarter preannouncement season underway, we have started to see examples of lengthening sales cycles and more cautious management commentary. This should not be a surprise and we expect this trend to continue.

That said, valuations have fallen significantly over the last six months and are already at least reflecting some of the risk to 2008 numbers. As a result we do not expect to see much additional multiple compression but believe earnings risk for selected stocks will remain elevated. For large cap stocks the magnitude of negative revisions may not be as large as some expect due to strong overseas growth and favourable currency trends. We are encouraged to see investor cash levels and short interest at extreme levels in the US, whilst institutional investors appear to have largely given up on the 'safe haven' status of the technology sector, according to a recent survey from Merrill Lynch. This indicates the consensus has become decidedly cautious which is why we deployed some of our liquidity during the month. Having retested market lows during the month, the reaction of stocks to negative earnings will be critical to establishing what is "priced in". Whilst the macro economic risk remains at the forefront of investors concerns, our belief remains that we are in the early stages of a significant new technology cycle; when the economic gloom lifts, the secular growth characteristics of the sector should be better recognised.

Ben Rogoff, 4th April 2008

31 March 2008

Fact sheet

Trust Facts

| | |
|------------------------|---------------------------------------|
| Share Price (p) | 177.50 |
| NAV per Share (p) | 210.74 |
| Discount (%) | -18.73 |
| Total Investments (£m) | 265 |
| Borrowing (£m) | -25 |
| Gearing (%)* | 91.28 |
| Capital Structure | 133,008,914 Ordinary shares of 25p |

* The gearing ratio is calculated by dividing total assets by net assets. The calculation ignores the effect of cash or fixed interest holdings

Trust Characteristics

| | |
|-------------------|-------------------------|
| Launch Date | 16 December 1996 |
| Lead Manager | Ben Rogoff |
| Deputy Manager | Craig Mercer |
| Year End | 30 April |
| Results Announced | Mid June |
| Next AGM | July 2008 |
| Continuation Vote | 2010 AGM; every 5 years |
| Listed | London Stock Exchange |

Benchmark

Dow Jones World Technology Index (Total Return)
(from 1 May 2006)

Fees*

| | |
|--------------------------------|--------------------|
| Management Fee | 1.00% |
| Performance Fee | 15% over Benchmark |
| Total Expense Ratio (historic) | 1.31% |

* Further details can be found in the Report & Accounts

Trust Overview

Objective

The investment objective is to maximize capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

Investment Rationale

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.

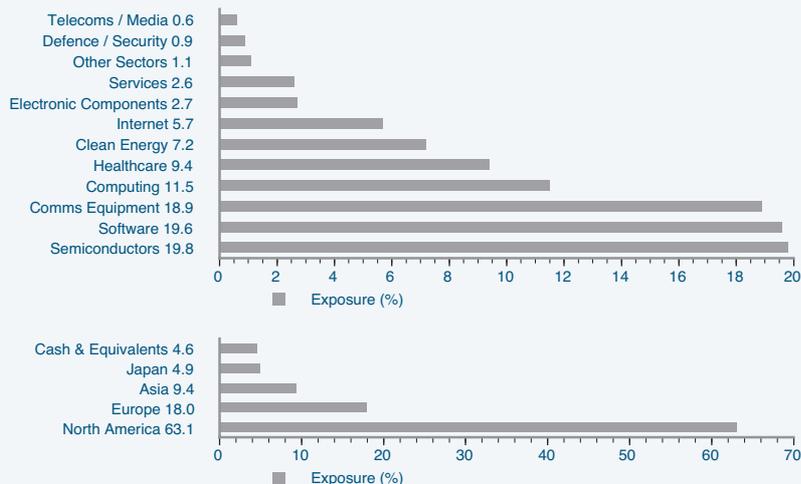
Approach

Polar Capital Partners 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.

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Sector & Geographic Exposure (%)



Total Number of Holdings 111

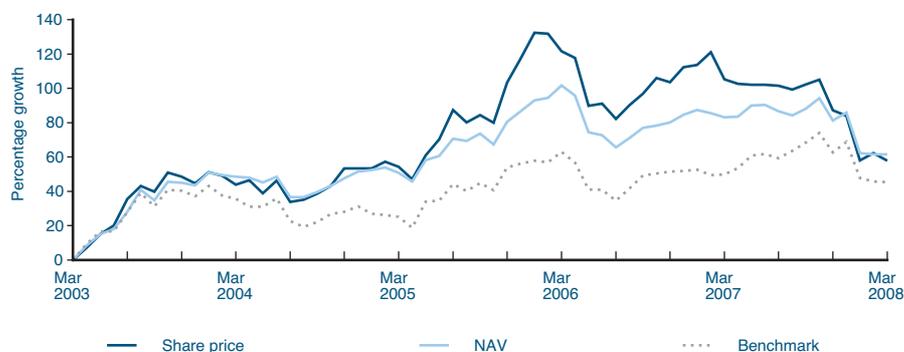
Top Ten Holdings (%)

| | |
|---------------------|-------------|
| Cisco Systems | 3.4 |
| Apple | 3.0 |
| Oracle | 2.8 |
| Google | 2.7 |
| Research In Motion | 2.5 |
| Qualcomm | 2.4 |
| Nokia | 2.3 |
| Samsung Electronics | 2.3 |
| Microsoft | 2.1 |
| Canon | 2.0 |
| Total | 25.5 |

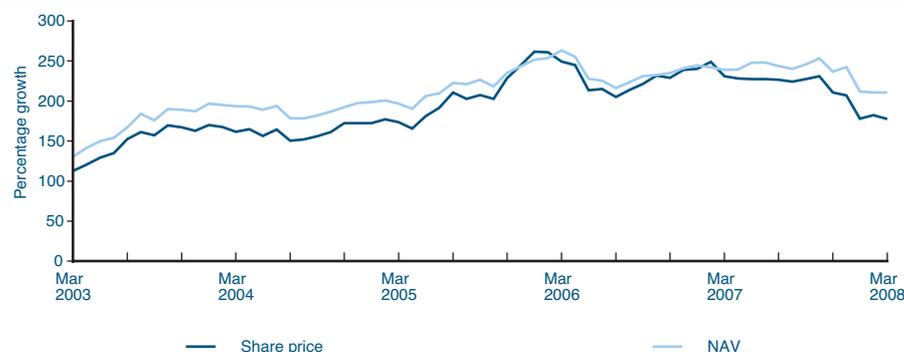
Market Capitalisation Exposure (%)

| | |
|--------------------------------|------|
| Large (greater than US\$ 10bn) | 61.3 |
| Medium (US\$ 1bn to 10bn) | 25.9 |
| Small (less than US\$ 1bn) | 12.8 |

Performance Over 5 Years



Share Price & NAV Over 5 Years



Cumulative Performance (%) to 31/03/2008

| | 1 Month | 3 Months | 6 Months | 1 Year | 5 Years |
|---------------|---------|----------|----------|--------|---------|
| Share Price | -2.74 | -14.26 | -21.98 | -23.16 | 57.78 |
| NAV per Share | 0.00 | -13.10 | -14.16 | -11.75 | 61.54** |
| Benchmark | -0.30 | -13.93 | -13.74 | -3.00 | 45.33 |

Discrete Annual Performance (%)

| | 30/03/07 31/03/08 | 31/03/06 30/03/07 | 31/03/05 31/03/06 | 31/03/04 31/03/05 | 31/03/03 31/03/04 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Share Price | -23.16 | -7.32 | 43.66 | 7.26 | 43.78 |
| NAV per Share | -11.75 | -9.27 | 33.82 | 1.58 | 48.42 |
| Benchmark | -3.00 | -8.10 | 30.41 | -7.91 | 35.74 |

Source: Lipper & HSBC Securities Services (UK) Limited, percentage growth, total return

**Not Adjusted for warrant exercise in September 2005. NAV per share performance is calculated on the basis of diluted NAV for the entire period.

Polar Capital Technology Investment Management Team

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

Ben Rogoff - Fund Manager



In May 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 at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 as a senior technology manager prior to joining Polar Capital in May 2003.

Craig Mercer - Deputy Manager



In May 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 Capital 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

Brian was head of the technology team at Henderson Global Investors (and prior to that Touche Remnant) from 1987 until his resignation in September 2000 to set up Polar Capital. He has been the appointed fund manager of Polar Capital Technology Trust plc, previously named Henderson Technology Trust and its predecessor TR Technology, since TR Tech's launch in 1988. He also managed the Henderson Global Tech Unit Trust from its launch in 1984 to 1996 as well as co-managing the Seligman Global Tech and Mackenzie Universal Science & Tech funds.

Tim Woolley - Founder/Director of Polar Capital Partners

Tim began his career as a systems analyst for two leading financial service companies. He then joined Prolific as a trainee US fund manager in 1987 and was promoted to lead manager of the technology fund in 1993. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap companies. Tim left with Brian to establish Polar Capital Partners in 2001.

Nick Evans - Fund Manager

Nick recently joined Polar Capital and has 8 years experience as a technology specialist. He was previously Head of Technology at AXA Framlington where, since August 2001, he had been lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. He started his career as an IT graduate trainee at Lloyds TSB. He graduated from Hull University with a degree in Economics with Business Economics in 1994.

Emma Parkinson - Fund Manager

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 a US small cap specialist with Touche Remnant and Charterhouse Bank.

Fatima Iu - Analyst

Fatima joined Polar Capital in April 2006 after working as an analyst with Citigroup Asset Management for 18 months. She graduated from Imperial College London in 2002.

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How to Invest

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.

Tel: 0870 850 0852
Online: www.shareview.co.uk/dealing

Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme and an ISA administered by BNP Paribas Fund Services, by contacting:

BNP Paribas Fund Services UK Ltd (Polar Capital)
Block C, Western House
Lynchwood Business Park
Peterborough, PE2 6BP

Tel: 0845 358 1109
Fax: 01733 285 822

Registered Office

4 Matthew Parker Street, London SW1H 9NP

Custodian

JP Morgan Chase NA acts as global custodian for all the Company's investments.

Registrar

Equiniti
The Causeway, Worthing, West Sussex BN99 6DA
www.shareview.co.uk

Codes

| | |
|-----------------------|--------|
| London Stock Exchange | PCT |
| Reuters | PCT.L |
| Bloomberg | PCT.LN |

Website

www.polarcapitaltechnologytrust.co.uk

All data as at 31 March 2008 unless otherwise stated. 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