Polar Capital Technology Trust plc

Trust Fact Sheet
31 July 2014

Trust Facts

Ordinary Shares

Share Price	474.00p
NAV per share	494.20p
Premium	-
Discount	4.09%
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing[1]

Total Net Assets	£654.0m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	4.81%

Benchmark

Dow Jones World Technology Index Total Return adjusted for withholding taxes (from 1 May 2013)

Fees[2]

Management	1.00%
Performance	15% over Benchmark

Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information on Page 4 and the full Risk Warnings in the Prospectus.

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 investment objective is to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world.

Investment Rationale

Over the last three 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 broader market, reflecting the longer-term secular uptrend in technology spending.

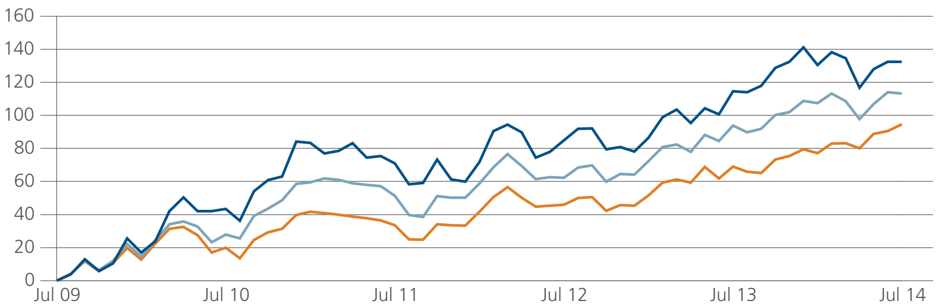
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

Investment Approach

Polar Capital selects companies for their potential for shareholder returns, 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.

Performance

Performance over 5 years (%)



	1 Month	3 Months	6 Months	1 Year	5 Years
Ordinary Share Price	-0.02	7.24	0.85	8.32	132.35
NAV per Share	-0.39	7.79	2.80	9.98	113.16
Benchmark	2.10	8.08	9.84	15.09	94.59

Discrete Annual Performance (%)

	30/04/14 31/07/14	30/04/13 30/04/14	28/04/12 30/04/13	30/04/11 28/04/12	30/04/10 30/04/11
Ordinary Share Price	7.24	10.92	2.97	3.61	21.74
NAV per Share	7.79	11.17	5.01	6.64	16.88
Benchmark	8.08	13.07	5.98	8.12	4.87

Source: Lipper & HSBC Securities Services (UK) Limited, percentage growth, total return. 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 in the Report and Accounts.

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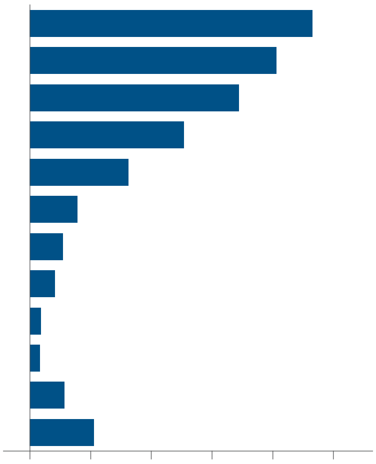
Polar Capital Technology Trust plc

Portfolio Exposure

As at 31 July 2014

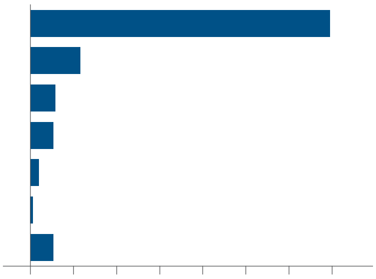
Sector Exposure (%)

Internet Software & Services	23.3
Semiconductors & Semiconductor Equip.	20.3
Software	17.2
Tech. Hardware, Storage & Peripherals	12.7
Communications Equipment	8.1
Elec. Equip. Instruments & Components	3.9
IT Services	2.7
Internet & Catalog Retail	2.0
Healthcare Technology	0.9
Machinery	0.8
Other	2.8
Cash	5.3



Geographic Exposure (%)

US & Canada	69.5
Asia Pac (ex-Japan)	11.6
Europe	5.8
Japan	5.3
Middle East & Africa	2.0
Latin America	0.6
Cash	5.3



Top 10 Holdings (%)

Apple	8.3
Google*	7.6
Facebook	4.3
Microsoft	3.1
Intel	2.8
Samsung Electronics	2.4
Qualcomm	2.3
Baidu	2.1
Cisco Systems	1.8
Tencent	1.7
Total	**36.4**
Total Number of Positions	**123**

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	71.7
Mid Cap (>$1bn - $10bn)	22.1
Small Cap (<$1bn)	6.1

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

The company has arranged for Shareview Dealing, a telephone and internet share sale service offered by Equiniti to be made available.

Telephone	0800 326 323
Online	www.alliancetrust.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

4 Matthew Parker Street, London SW1H 9NP
www.polarcapitaltechnologytrust.co.uk

Custodian

HSBC PLC acts as global custodian for 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 June
Next AGM	September 2014
Continuation Vote	2015 AGM
Listed	London Stock Exchange

Codes

Ordinary Shares

ISIN	GB004220025
SEDOL	422002
London Stock Exchange	PCT

The entire investment portfolio is published in the annual and semi annual reports and as part of the interim management statement.

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.

Note: Totals may not sum due to rounding.

*Combination of Class A and Class C Google shares.

Fund Manager Comments

As at 31 July 2014

Market Review

Global equities experienced a modest pullback in July offset by sterling strength, the FTSE World Index falling 0.2% during the month. Geopolitical risks returned to the fore with the Malaysian Airline MH17 tragedy triggering increased tensions between Russia / Ukraine while conflict in Gaza continued to escalate, culminating in an Israeli ground assault. The surprise default of Portuguese bank Banco Espirito Santo, together with Argentina's selective default, also served as a reminder that there are still points of weakness in the global financial system. Unsurprisingly European equities bore the brunt of the pullback, exacerbated by disappointing inflation, despite the ECB's efforts to keep deflation at bay. In the US, minutes from the June FOMC meeting highlighted member concerns around investor complacency with regards to risk, whilst Fed Chair Yellen's recent testimony added to investor anxiety.

Small / mid-caps subsequently gave up all of their prior month outperformance vs. large-caps (the Russell 2000 Index falling 6.1% in US$ terms compared to the S&P 500 which fell 1.5%). Despite reassurances that risk of a near term interest rate rise remains low (and that any such move will be data dependent), investors interpreted improving economic data as confirmation that rates may rise sooner than some expect resulting in increased volatility. Asia bucked the trend, with both China and Japan delivering positive returns after material underperformance versus global equities, despite lacklustre macro datapoints. Interestingly, crude continued to decline amid geopolitical concerns in the Middle East, perhaps reflecting slower global growth (the World Bank revised down its forecasts last month) and healthy inventory levels.

Technology Review

Technology stocks outperformed the broader market, the Dow Jones World Tech Index gaining 2.1% in sterling terms in July. Earnings were the key focus during the month with most companies delivering at least in line or better results versus expectations, whilst disappointments appeared largely stock specific. Large-cap index constituents had an exceptionally strong month, outperforming small-caps by c.700 basis points as measured by the Russell 1000 and 2000 technology indices respectively. Apple delivered a mixed quarter which investors chose to overlook ahead of the upcoming product cycle, buoyed by rumours of 70-80m iPhone 6 unit build in the supply chain, much higher than analyst estimates, as well as excitement around potential iWatch and mobile payment initiatives. Intel stock surged to within touching distance of its 2003 highs after a robust quarter, driven by PC and server strength and promise of capital allocation discipline. Microsoft also benefited from better PC datapoints and capital discipline, while IBM established a partnership with Apple to develop enterprise applications for the iOS on mobile devices. While the significance of this partnership is still being debated, IBM stock reacted well to the news. Qualcomm was a notable underperformer, falling 6.9% during the month after a disappointing set of numbers, linked to its inability to collect certain royalties in China.

Semiconductor stocks came under pressure as the sector experienced profit taking after a very strong run following a slightly disappointing quarter from Sandisk (pricing weakness believed to be related to an Apple contract), while Samsung comments around increased DRAM capex sparked a sell-off in memory stocks that have been on a tear since early 2013. The Samsung supply chain suffered as a smartphone inventory correction proved to be worse than expected. Poor results from Xillinx (not held) also caused nervousness around China LTE basestation builds. Semi-cap equipment names delivered muted results / guidance due to the delayed ramp of the 16/14nm node, although stocks have held up in anticipation of a better capex environment next year. Internet earnings were robust with Facebook the standout performer delivering a strong report that beat consensus across the board. Google also reported a solid quarter where mobile drag on CPC appears to be subsiding. Both Twitter and LinkedIn defied their critics - resulting in sharp jumps in share prices - with better user engagement metrics and strong revenue growth. Amazon was the only real disappointment, with growth at its public cloud division - Amazon Web Services (AWS) - decelerating.

Outlook

We remain constructive on the medium term outlook for equities, which still look attractive versus most major asset classes and especially so against cash where negative real returns are all but guaranteed. We also remain confident in our new cycle thesis, supported by an encouraging earnings season from next-generation vendors relative to lacklustre, if stable results from a number of incumbents.

However, the near term outlook is a little more opaque, with markets looking somewhat extended while rising geopolitical tensions and improving economic data (increasing the risk of earlier than expected interest rate hikes) explain why we have retained c. 5% of the portfolio in cash. We also continue to hold a small out of the money October put option on the SPDR S&P 500 ETF Trust, which we purchased when markets / investor sentiment were close to highs and volatility near lows. This is intended to reduce our short term beta relative to the benchmark in the event of a 'top-down' related market setback.

While we understand why many large-cap technology stocks have been relative 'safe havens' of late, particularly those benefiting from a period of stabilisation in PC units (such Intel and Microsoft) and/or their efforts to rebrand themselves (belatedly) as 'Cloud' beneficiaries (including IBM, Oracle and SAP), we believe this dynamic could prove short lived not least because the PC unit tailwinds associated with the end of support for Windows XP are likely to fade into 2015. Apple remains a special situation where downside risk appears to have been ameliorated by the company's decision to reposition itself as a mass affluent / luxury brand along the lines of Audi rather than chase growth. However, the sharp run up in the stock (driven by PE expansion) reflects heightened expectations as we approach the launch of the iPhone 6 (expected in September) and the iWatch. Regardless, we are likely to retain our underweight position given the maturity of the smartphone market and the travails of key competitor Samsung that is beginning to show signs of stress having failed to sufficiently differentiate its products from emerging, low cost Asian competitors such as Xiaomi

Although our approach remains out of favour for now, we expect the new cycle to become increasingly pernicious, which should shift investor attention away from legacy incumbents (many of which are no longer even optically cheap) in favour of those stocks delivering real growth - the likely index constituents of the future. Over time we expect the superior growth profile of our portfolio (40-50% greater than the index using a range of measures*) to continue to deliver attractive, risk adjusted returns for our investors. Unfortunately, the additional growth that our portfolio should deliver has recently been obscured by expanding market multiples that have disproportionately benefited 'cheap' incumbents that - according to consensus - are said to be beneficiaries of an improving US economic backdrop. We disagree strongly, believing instead that weak incumbent fundamentals are secular (new cycle deflation / reallocated IT budgets) rather than cyclical ('uncertainty') in nature. As such we continue to focus on those companies able to deliver genuine top line growth, rather than those increasingly dependent on capital reallocation to paper over the widening cracks caused by the new technology cycle.

Ben Rogoff

12 August 2014

Polar Capital Technology Trust Management Team

Ben Rogoff

Director, Technology

Ben has managed the Trust since 2006, he joined Polar Capital in 2003 and has 18 years of industry experience.

Nick Evans - Senior Fund Manager

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

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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 fund. 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 fund's best interest to do so. A historic complete list of the portfolio holdings may be made available upon request. 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 designed to provide updated information to professional investors to enable them to monitor the Fund. No other persons should rely upon it. The information provided in this document should not be considered a recommendation to purchase or sell any particular security.

Benchmarks The following benchmark indices are used: Dow Jones World Technology Index (Total Return). These benchmarks are generally considered to be representative of the Technology Equity universe. These benchmarks are broad-based indices which are used for comparative/illustrative purposes only and have been selected as they are well known and are easily recognizable by investors. Please refer to www.djindexes.com for further information on these indices. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. Investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, the indices noted in this document are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the fund 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. The information regarding the indices is included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to any of the indices in composition or risk.

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