

31 July 2008

Fact sheet

Fund Manager Comment

Market Performance

July commenced as June concluded with higher oil prices further pressuring equities before a sharp correction in energy prices (oil falling 14% from its high) allowed stocks to rally off their lows - the FTSE World Index falling just 2.1% in Sterling terms by month end. US stocks outperformed as macroeconomic news was more mixed than in previous months. This contrasted with poor European data which suggested that the combination of rising energy prices and a strong Euro were beginning to take their toll on growth. However the most extreme moves occurred in emerging markets, especially those whose growth prospects are most closely tied to energy prices, the oil price correction resulting in some stunning intra-month reversals.

Technology Performance

The technology sector modestly outperformed during the month, the Dow Jones World Technology Index falling just 1% in Sterling terms reflecting the sector's US exposure, increased M&A activity and a number of positive developments at the stock level. After a poor start, second-quarter earnings season saw technology companies generally report ahead of expectations albeit often accompanied with tempered guidance.

Positive sector developments during the month included the performance of Nokia (+14%) following an inline report suggesting that sentiment had contracted further than the fundamentals warranted. However, this positive was dwarfed by the performance of Qualcomm which rose 25% during the month following the resolution of its legal differences with Nokia. Strong sub-sector performance was generated by biotechs (positive data at Amgen, proposed takeover of Genentech by Roche) whilst a pick-up in M&A activity directly benefited performance as two holdings (Foundry Networks, NDS Group plc) were acquired at healthy premiums (58% and 17% respectively). Negative developments included weak memory pricing which weighed on semiconductor stocks, and poor performance of alternative energy companies due to deteriorating sentiment associated with lower oil prices and continued uncertainty over the outcome of the upcoming Spanish solar subsidy renewal.

Outlook

Given the amount of column inches dedicated to the 'credit crisis' it is clear that the current macroeconomic travails are now well understood. Whilst markets cannot currently rely on lower interest rates to combat slowing growth, the willingness of central banks to swallow the necessary medicine (higher rates) in order to stymie the inflation threat should result in the return of the so-called 'Fed put' once inflationary pressures subside. Whilst we do not anticipate equities staging a sustained recovery until earnings estimates have been more meaningfully lowered, we suspect that the current bear market rally may extend as investors become emboldened by sharply lower energy prices. To this end we used weakness during July to reduce liquidity largely in favour of US and Asian equities.

We continue to believe that in spite of the pervasive sense of doom and gloom all is not lost. It is our long held belief that the attractiveness of financial assets wax and wane according to prevailing inflation expectations. Although it may no longer be fashionable to say so, we do not believe that the era of low inflation is concluding. Rather, our view remains that cyclical pressures - low interest rates, emerging market growth and high energy prices - have coalesced to create the perfect inflationary storm. Fortunately storms pass, and right now it appears that each variable may have already peaked. Moreover, we believe that globalisation has reduced the risk of sustained wage push inflation; as such slower global growth should result in the abatement of inflationary pressure allowing stocks to positively re-rate in due course.

Where does this leave the technology sector? Over the near-term it feels likely that we will remain on the under-card of the main bout taking place between financials and the commodity-complex. Once the worst of the macroeconomic headwinds are behind us we fully expect the technology sector to regain leadership status. Not only does our sector empirically perform well post the last US rate cut but its superior relative earnings / valuation profile looks particularly attractive. Whilst some commentators highlight how poorly the tech sector performed during the last downturn we believe the analogy to be fallacious as our sector has not enjoyed even a 'typical' capital spending cycle during the past expansion. From a relative performance perspective, technology stocks have meaningfully lagged other sectors / geographies that have been more direct beneficiaries of emerging market growth; as the 'decoupling' thesis is increasingly challenged we expect our sector - awash with cash and armed with productivity-enhancing solutions to combat cost / margin pressures - to begin to deliver the strong relative returns implied by its superior growth profile.

Ben Rogoff, 7th August 2008

Trust Facts

Share Price (p)	181.00
NAV per Share (p)	211.93
Discount (%)	-17.09
Total Investments (£m)	270
Borrowing (£m)	-23
Gearing (%)*	92.02
Capital Structure	132,041,914 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.

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

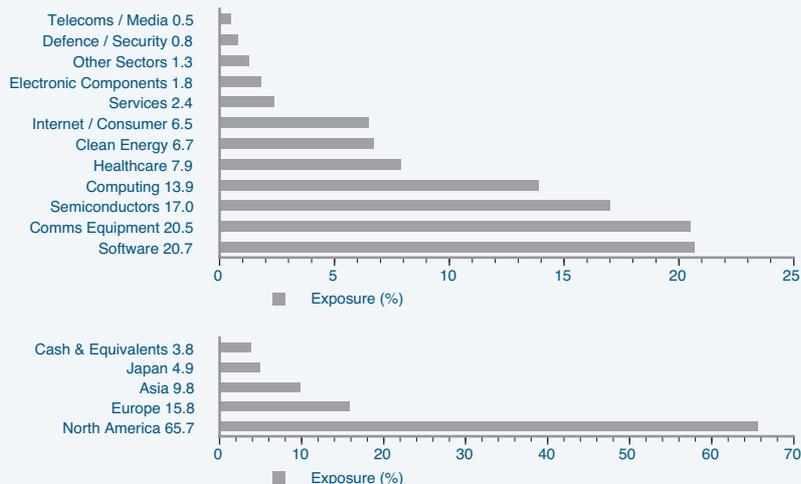
Approach

Polar Capital 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 109

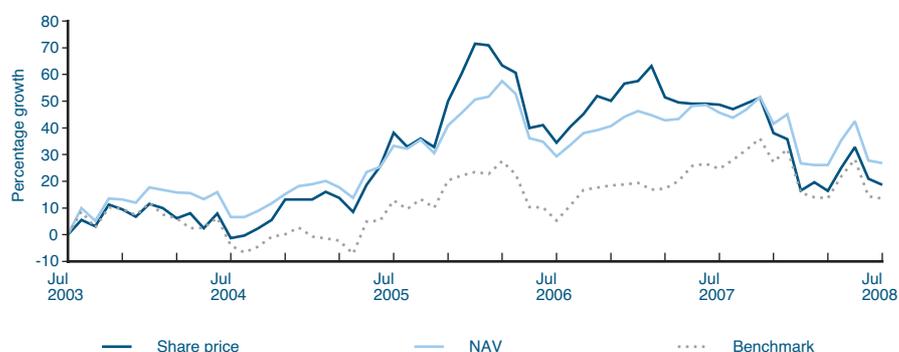
Top Ten Holdings (%)

Google	4.0
Qualcomm	3.8
Apple	3.5
Research In Motion	3.3
Oracle	3.2
Microsoft	3.1
Intel	2.9
Cisco Systems	2.9
Nokia	2.9
International Business Machines	2.9
Total	32.5

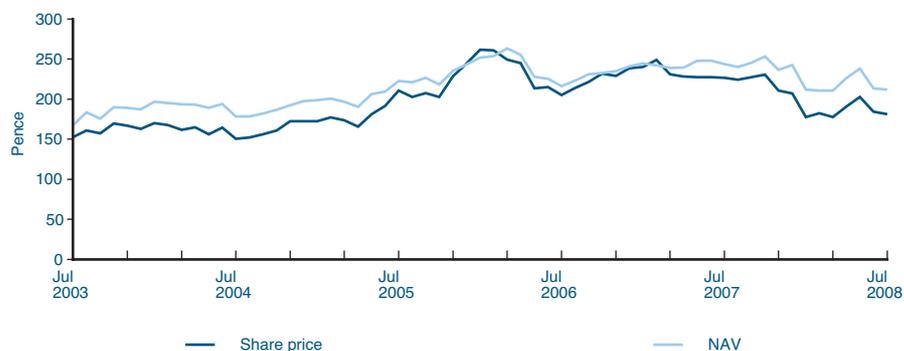
Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	62.8
Medium (US\$ 1bn to 10bn)	27.1
Small (less than US\$ 1bn)	10.1

Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 31/07/2008

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	-1.90	-5.11	1.83	-20.18	18.69
NAV per Share	-0.71	-6.38	0.12	-12.98	26.80**
Benchmark	-0.77	-6.86	-1.83	-8.90	13.53

Discrete Annual Performance (%)

	29/06/07 30/06/08	30/06/06 29/06/07	30/06/05 30/06/06	30/06/04 30/06/05	30/06/03 30/06/04
Share Price	-18.81	5.70	12.27	16.41	21.85
NAV per Share	-14.02	10.17	7.57	8.10	25.94
Benchmark	-9.57	14.85	4.61	-0.94	16.41

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.

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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

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

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 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.

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 July 2008 unless otherwise stated. All sources Polar Capital 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. This factsheet is issued in the UK by Polar Capital LLP and information provided is to the best of our knowledge and a fair representation of the fund. 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