31 October 2008

Fact sheet

Fund Manager Comment

Market Performance

Global equities fell sharply during October as the credit crisis intensified meaningfully, the FTSE World Index falling 11.3% in Sterling terms. Actual equity performance was significantly worse than that suggested by this headline return as Sterling weakened dramatically during the month, falling more than 9% and 16% against the US Dollar and the Japanese Yen respectively. As discussed during our last monthly, early October saw credit conditions deteriorate further whilst macroeconomic data in the US and Europe left little doubt that an OECD recession was all but inevitable. Fear of systemic failure that began in earnest in September gathered pace during October until a global coordinated response - in the form of rate cuts, bank guarantees and quasi-nationalisations - appeared to more fully underpin the system, allowing markets to bounce sharply into month end. However, the impact of 'demand destruction' in the developed world was most keenly felt in emerging markets and commodities that had previously 'de-coupled'; the decision to all but underwrite the developed world financial system highlighted the additional risk represented by emerging markets and currencies resulting in disorderly capital flight.

Technology Performance

Whilst technology stocks appeared to outperform during the month - the Dow Jones World Technology index falling 9.6% in Sterling terms - this flattered the sector as it underperformed in most local markets but outperformed overall due to its disproportionate exposure to the best performing equity markets and negligible exposure to the worst. Third-quarter earnings season has seen the technology relative earnings profile deteriorate as the weakening macroeconomic environment and a strengthening US Dollar have finally caught up with our sector. Whilst many companies have been able to deliver Q3 roughly in line with expectations, accompanying Q4 guidance has been understandably weak. Small capitalisation stocks underperformed during the month as investors 'hunkered down' in larger-cap names, whilst companies with disproportionate exposure to the financial services vertical performed particularly poorly. The most extreme selling pressure was applied to those companies with exposure to debt / credit markets; whilst our portfolio has limited exposure to indebted companies we felt the impact of this on our alternative-energy holdings whose customers' projects can rely on debt financing.

Outlook

Clearly the global economy is in a bad way - the US is almost certainly already in recession and Europe is not far behind. We do not anticipate improvement on this front any time soon; in fact we expect the current concerns over emerging markets to be well-founded as plunging commodity prices and capital repatriation seriously challenge a number of countries over the coming months. In addition, credit markets remain far from normal and the de-leveraging process is nowhere near conclusion. In short, the backdrop against which equities operate will remain challenging for the foreseeable future. However, we are hopeful that developed markets have already put in bear market lows as we believe that the global coordinated intervention that occurred earlier last month means that the worst case (systemic failure) is averted. We are also encouraged that the normal stabilisers - lower energy / commodity prices and dampened inflation expectations - are finally kicking in. Looking at stocks, the magnitude of the current bear market has already captured an atypical recession as do headline valuations that have significantly priced in future downward earnings revisions. Whilst we cannot say when things will get better - our hope is that the US economy will bottom in early 2009 - we think equities today enjoy a favourable risk-reward profile. The key risks to this sanguine view are that credit conditions fail to normalise and that the de-leveraging process results in a Japanese-style deflationary backdrop.

Turning to technology, we believe that whilst the sector is unlikely to fare well during the first half of the recession, it should do materially better once investors believe that recovery is in sight. Recession is our sector's bugbear as our companies' fortunes are closely tied to both corporate and consumer spending, both of which will likely remain tempered. Furthermore, the technology sector has outsized exposure to the financial vertical (c. 15% of sector revenues) and is already beginning to experience the deleterious impact of a stronger US Dollar. However, we think much of this is already priced in; despite vastly superior balance sheets and medium-term growth profiles, US technology stocks today trade at a discount to the broader market on a forward P/E basis for the first time in 16 years. Unlike the last recession, the technology sector is not at the epicenter of the current crisis which means this downturn is best understood as an interruption of a new technology cycle rather than the end of one. As such, and with generalist investors underweight the sector for the first time since 2006, we expect the sector to assume leadership status once markets and investment horizons normalise. Ben Rogoff and Nick Evans, 7th November 2008

Trust Facts

Share Price (p)	145.50
NAV per Share (p)	183.47
Discount (%)	-20.70
Total Investments (£m)	238
Borrowing (£m)	-25
Gearing (%)*	90.42
Capital Structure	130,730,914 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 2009
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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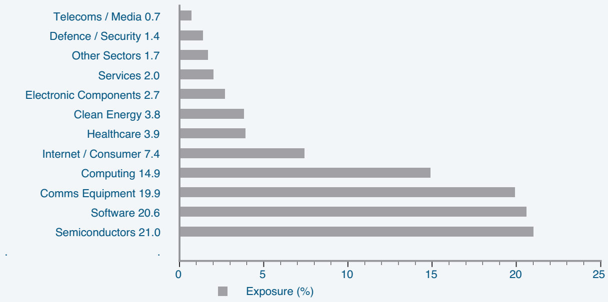
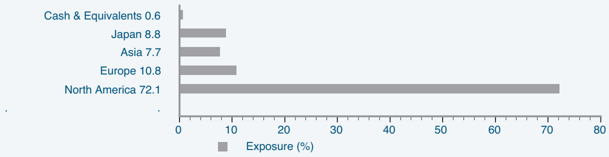
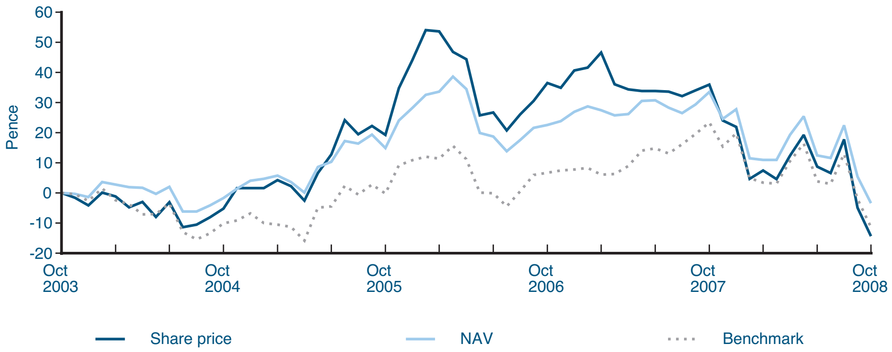
Sector & Geographic Exposure (%)

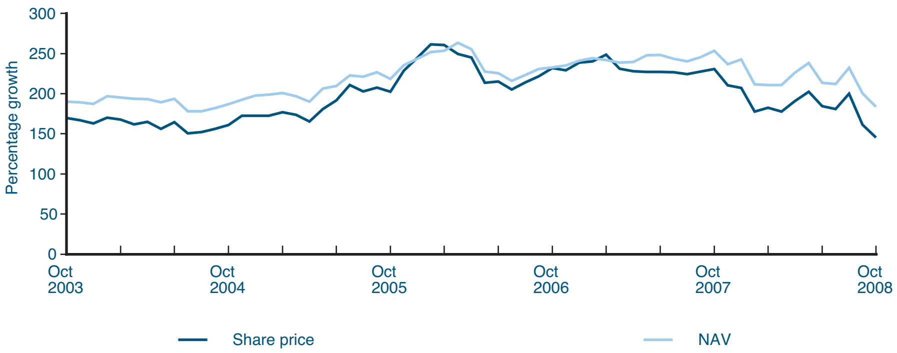




Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 31/10/2008

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	-9.91	-19.61	-23.72	-36.94	-14.29
NAV per Share	-8.39	-13.43	-18.95	-27.60	-3.36**
Benchmark	-9.55	-13.94	-19.84	-28.19	-11.35

Discrete Annual Performance (%)

	28/09/07 30/09/08	29/09/06 28/09/07	30/09/05 29/09/06	30/09/04 30/09/05	30/09/03 30/09/04
Share Price	-29.01	2.71	6.75	33.01	-0.79
NAV per Share	-18.43	6.37	1.86	24.46	3.57
Benchmark	-18.03	12.86	3.05	18.70	-6.99

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.

Total Number of Holdings	111

Top Ten Holdings	(%)
Apple	5.1
Microsoft	5.0
Google	4.9
Intel	4.2
Oracle	4.1
Cisco Systems	3.9
Qualcomm	3.8
Hewlett-Packard	3.2
International Business Machines	2.8
Samsung Electronics	2.7
Total	**39.7**

Market Capitalisation Exposure	(%)
Large (greater than US$ 10bn)	63.5
Medium (US$ 1bn to 10bn)	26.2
Small (less than US$ 1bn)	10.3

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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:

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.

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.

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.

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