

## 30 June 2008

### Fact sheet

#### Fund Manager Comment

##### Market Performance

June was a very tough month for equity investors, the FTSE World Index falling 9.1% in Sterling terms. The Dow Jones Industrials Index posted its biggest monthly decline since 1930, whilst suffering its third straight quarterly decline. The month got off to a poor start with an above consensus 5.5% US unemployment reading for May but slowing global growth and heightened inflationary pressures (as a result of rapidly rising food and energy prices) proved the main focus of investor attention during the month. Comments from the OPEC president predicting a climb to \$170 per barrel due to the weak US Dollar and heightened concerns regarding a potential Israeli attack on Iranian nuclear facilities played their part, contributing to a spike in volatility and risk aversion.

Most problematic was the apparent volte-face by the US, European and UK Central Banks all of which indicated that policy had shifted from concerns over growth towards inflation containment. The ECB went as far as indicating that a rise in interest rates was on the cards which pressured the US Dollar as markets began to question the credibility of recent strong Dollar rhetoric. Those sectors perceived to be most reliant on accommodative monetary policy were the hardest hit; bank shares fell 23% during the month, as measured by the KBW Bank Index. Further deterioration in the US housing market and the downgrade of mono-line insurers provided additional headwinds.

##### Technology Performance

Technology stocks had a disappointing month, the Dow Jones World Technology Index down 10.8% in Sterling terms, outpacing the broader market decline. Relative weakness likely reflected profit taking post sector outperformance during April and May. All regions were impacted although European and Asian stocks performed particularly poorly. June is normally a relatively quiet month for technology news flow and this was no exception. Companies which reported or provided mid quarter updates (Adobe, Qualcomm, Oracle, Research in Motion and RIMM) were generally seeing strong demand. Guidance was generally solid although in some cases tempered by a slightly more cautious view on the global economy and /or rising input prices.

##### Outlook

The change in central bank focus from growth to inflation containment could not have come at a more challenging time for US consumers who are struggling under the weight of house price deflation, rising energy costs and tighter credit conditions. Tax rebates may be helping to ameliorate these pressures near-term but once these run off, the Fed is unlikely to be able to provide monetary stimulus unless energy prices fall significantly from current levels. All is not lost - as demand softens we expect inflationary pressures to begin to subside, whilst energy prices may ease due to so-called 'demand destruction'. However, heightened volatility is likely to persist with equities unlikely to stage a convincing rally until earnings expectations have been reset materially lower.

We believe that against this challenging backdrop, the technology sector should prove relatively resilient, both in terms of a superior earnings profile and relative performance. First and foremost it is worth remembering that this slowdown is unlikely to presage a repeat performance of 2000-2002. Technology valuations are not only at more prosaic levels, both on an absolute and relative basis but the sector remains far from the epicentre of the current crisis. Moreover, the current capital spending cycle has been remarkably muted (in stark contrast to the late 1990s) which should result in a less problematic downturn should economic conditions continue deteriorate.

Ben Rogoff, 4th July 2008

#### Trust Facts

Share Price (p)	184.50
NAV per Share (p)	213.44
Discount (%)	-15.69
Total Investments (£m)	264
Borrowing (£m)	-24
Gearing (%)*	91.74
Capital Structure	132,508,914 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.

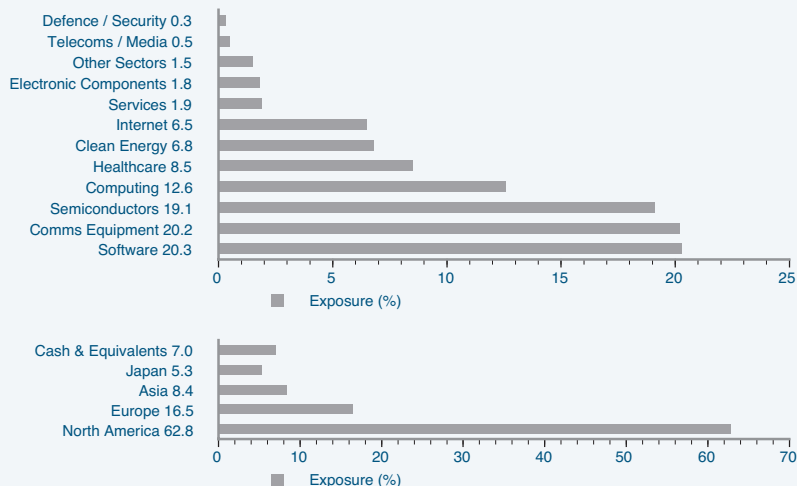
##### Approach

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** 112

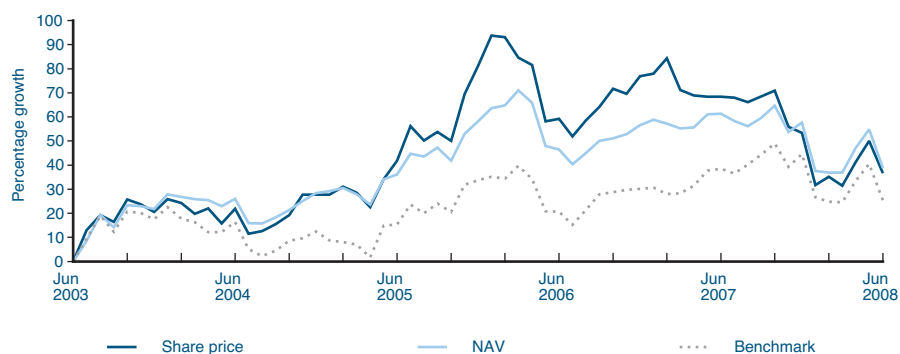
### Top Ten Holdings (%)

Google	3.9
Cisco Systems	3.7
Apple	3.6
Qualcomm	3.2
Microsoft	2.8
Oracle	2.8
Samsung Electronics	2.8
Intel	2.6
Research In Motion	2.5
Nokia	2.3
<b>Total</b>	<b>30.1</b>

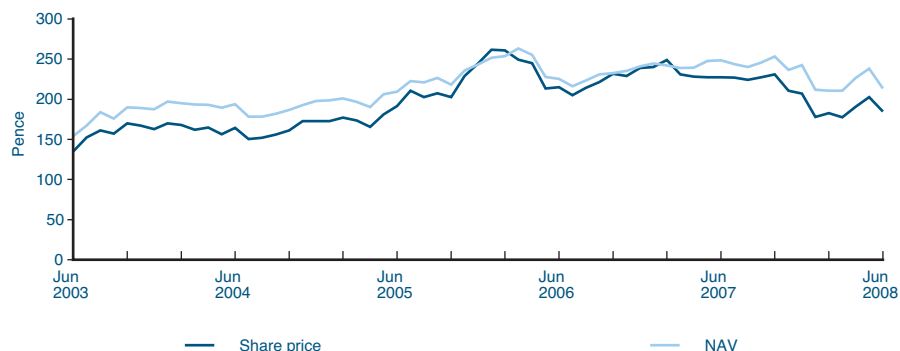
### Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	63.8
Medium (US\$ 1bn to 10bn)	24.7
Small (less than US\$ 1bn)	11.5

## Performance Over 5 Years



## Share Price & NAV per Share Over 5 Years



## Cumulative Performance (%) to 30/06/2008

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	-8.89	3.94	-10.87	-18.81	36.67
NAV per Share	-10.39	1.28	-11.99	-14.02	38.71**
Benchmark	-10.78	0.66	-13.36	-9.57	25.29

## 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](http://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](http://www.shareview.co.uk)

## Codes

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

## Website

[www.polarcapitaltechnologytrust.co.uk](http://www.polarcapitaltechnologytrust.co.uk)

All data as at 30 June 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. 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