Polar Capital Technology Trust PLC

31 July 2012

Fact sheet

Fund Manager Comment

Market Review

Global equities rallied modestly during July as hopes of intervention helped risk assets shrug off mixed economic data, the FTSE World Index rising 1.4% in sterling terms. The month was characterised by continued weak US data (disappointing June retail same-store sales, light June nonfarm payrolls) and rising evidence of stress at Europe's periphery. Spanish ten-year yields breached 7.5% amid rumours that the region of Valencia would require central government assistance in order to meet its debt obligations. Concerns over Chinese growth were seemingly supported by mixed economic data (non-manufacturing PMI below 50) and lacklustre commentary from Premier Wen Jiabao who appeared to downplay the timing of an economic reacceleration. The combination of weaker data and a renewed focus on systemic risk saw ten-year US Treasury yields fall to a remarkable 1.4%, while the euro drifted as low as 1.20 against the US dollar. While equity markets largely ignored positive developments, including benchmark rate cuts in both China and the Eurozone and a £50bn increase in the BoE asset purchase programme, oil (+3.2% during the month) and commodities (+5%) responded positively to this pro-growth intervention. Equities followed suit a few days later when ECB President Mario Draghi reiterated that the ECB was "ready to do whatever it takes to preserve the euro", reopening the door to unsterilised bond purchases, further rate cuts and/or a new LTRO programme. His comments presaged sharp falls in peripheral sovereign yields (Spanish and Italian ten-year rates ending the month at or below where they began) allowing risk assets to rally sharply into month end, erasing their earlier losses. M&A activity continued to provide an additional bid for equities following the announcement of Bristol-Myers Squibb's acquisition of Amylin and Linde's purchase of Lincare Holdings.

Technology Review

The combination of top-down concerns and a weaker than anticipated earnings report from Apple saw the technology sector trail the broader market during July, the Dow Jones World Technology Index rising 0.2% in sterling terms. Technology newsflow was dominated by a second quarter earnings season that proved trickier than usual, as US dollar strength hindered headline revenue growth and macroeconomic uncertainty resulted in the elongation of sales cycles. This process was most keenly felt by enterprise-orientated companies, evidenced by an uncharacteristic profit warning from Informatica which weighed on the software sub-sector, together with disappointing guidance from video-conferencing company Polycom. Communication equipment stocks continued their poor run with particularly weak reports from Adtran and Alcatel confirming the near-term hiatus in carrier capital spending trends. Semiconductor stocks also trailed as a number of companies including Intel and Texas Instruments modestly reset expectations, not entirely surprisingly given the recent weakness in economic data and contraction in US ten-year Treasury yields. Apple also reported a somewhat disappointing quarter accompanied by lacklustre guidance as the iPhone 5 appeared to be delayed until October; while this was largely anticipated by the market, the magnitude of the iPhone unit 'miss' was above expectations leading to some modest profit taking in the stock. Internet stocks fared rather better with both Amazon and eBay posting encouraging reports. However, the Facebook post-IPO malaise accelerated to the downside amid a torrent of negative newsflow including a massive profit warning from Zynga, a key partner. Despite this, Facebook still managed to deliver an inline quarter although lack of guidance and cautious management comments about the pace of monetisation saw the stock fall sharply. Against the backdrop of a more challenging earnings season, stolid performances from a number of mega-caps including Google, IBM, Intel and Microsoft did little to arrest the recent 'crowding out' of smaller cap stocks that trailed by a further 3.5% during the month.

Outlook

With investors apparently continuing to eschew stocks in favour of negative real returns offered by 'safe havens' such as US Treasuries, we remain relatively sanguine about the prospects for equities as we approach the final third of the year. We continue to believe that the technology sector represents a solid 'each way bet' - a natural beneficiary of sub-trend global growth (driving greater corporate focus on productivity) while its superior collective balance sheet should ameliorate downside risk should the macroeconomic backdrop deteriorate further. Aside from a handful of disappointments, earnings season has done little to dissuade us of the validity of our new cycle thesis, evidenced by strong reports from the likes of Amazon, Concur, Teradata and VMware. The post-IPO performance of Facebook has obviously been disappointing but we believe this has been largely sentiment driven and as such have been using recent weakness to add to our (relatively small) position. With a number of our key themes at or approaching penetration levels often associated with rapid subsequent adoption, we anticipate greater technology disruption over the remainder of the current cycle which is likely to drive more uneven value creation and elevated M&A. The recent acquisition of software-defined networking start-up Nicira by VMware was a timely reminder of how we are likely to see further blurring of existing boundaries within the technology sector which is likely to come at the expense of incumbents.

Despite what we believe is likely to prove a more challenging period for a number of incumbents, top down concerns have continued to drive investors into the arms of inexpensive large-caps thus 'crowding out' smaller companies. This dynamic has continued to provide our pro-growth stance with a formidable style headwind which we have been unable to overcome so far this year. That said we are hopeful that supportive ECB rhetoric may once again act as a rallying cry for risk assets that appear cheap in both an absolute and relative sense as we approach the final third of the year. Certainly there appears to be significant value in small and mid-caps many of which have been left for dead by investors myopically focused on the preservation of capital and/or yield generation. With more favourable seasonality approaching and with investor sentiment recently plumbing depths often associated with market lows, we have used recent weakness to modestly reduce liquidity while continuing to rotate the portfolio in favour of oversold but fundamentally strong companies that should fare well in a better tape.

Ben Rogoff, 7 August 2012

Trust Facts

Ordinary Shares

Share Price (p)	377.00
NAV (undiluted) per Share (p)	375.95
Premium %	0.28
Discount %	-
Capital Structure	128,208,110 shares of 25p

Subscription Shares†

Share Price (p)	9.88
Exercise Price (p)	
- From 1 April 2012 to 31 March 2014	478.00
Capital Structure	24,798,092 shares of 1p

Total Net Assets (£m)	482
AIC Gross Gearing Ratio (%)*	106.00
AIC Net Gearing Ratio (%)*	97.00

*Gearing calculations are exclusive of current year Revenue/Loss

Trust Characteristics

Launch Date	16 December 1996
Lead Manager	Ben Rogoff
Year End	30 April
Results Announced	Mid June
Next AGM	September 2012
Continuation Vote	2015 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)	1.16%

* Further details can be found in the Report & Accounts

** Subject to high watermark and cap

Trust Overview

Objective

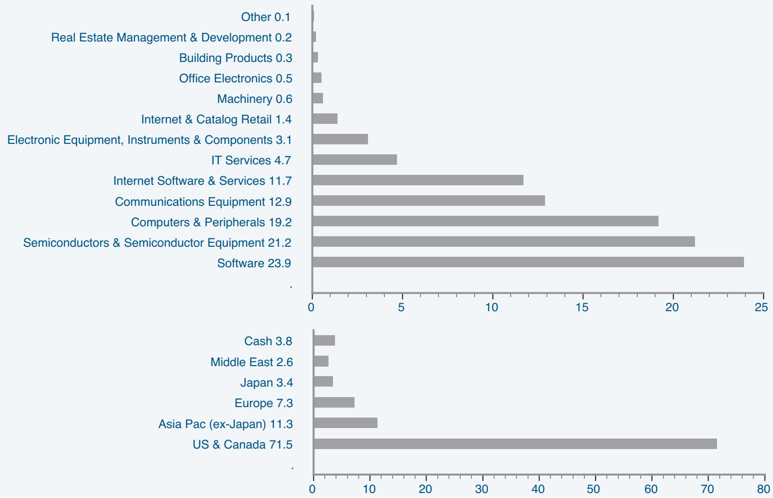
The investment objective is to maximise capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

†For full details of the subscription shares and their exercise terms please refer to the prospectus of 18 January 2011 and the notes on the company's website.

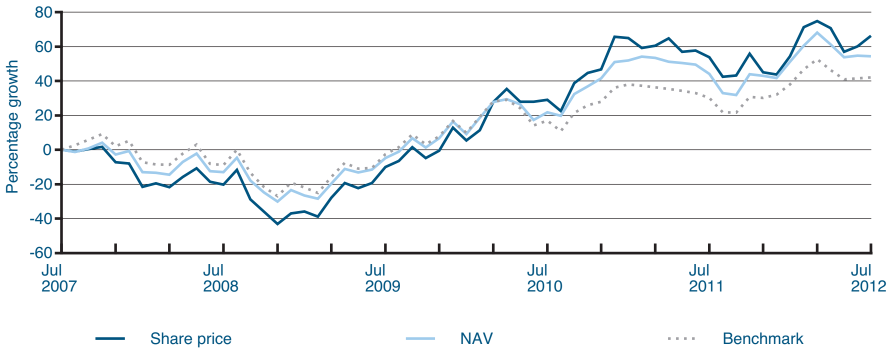
It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this list. A list of all recommendations made within the immediately preceding 12 months is available upon request.

31 July 2012
Fact sheet

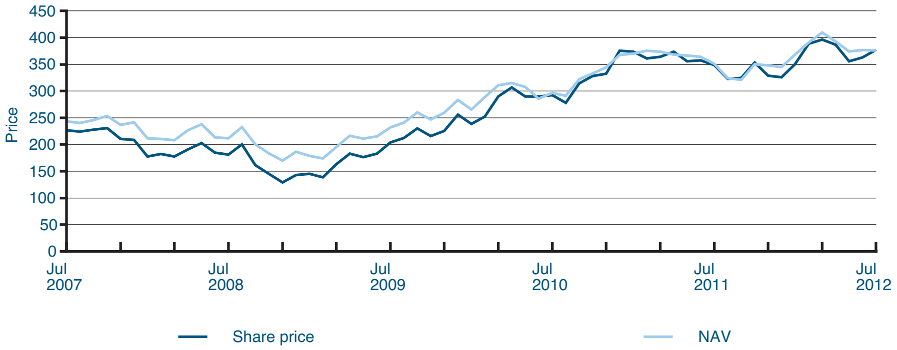
Sector & Geographic Exposure (%)



Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 31/07/2012

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	3.86	-2.58	7.68	8.08	66.26
NAV per Share	-0.23	-4.28	2.12	7.20	54.37
Benchmark	0.41	-2.91	2.98	9.18	42.14

Discrete Annual Performance (%)

	30/06/11 29/06/12	30/06/10 30/06/11	30/06/09 30/06/10	30/06/08 30/06/09	29/06/07 30/06/08
Share Price	1.48	23.39	58.63	-0.95	-18.81
NAV per Share	3.47	27.43	32.68	0.92	-14.02
Benchmark	6.44	16.60	27.59	-2.62	-9.57

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

Total Number of Holdings	130

Top Ten Holdings	(%)
Apple	12.8
Google	5.0
Microsoft	4.6
Samsung Electronics	3.7
International Business Machines	2.8
Qualcomm	2.7
Intel	2.6
Oracle	2.5
Taiwan Semicon Manufacturing	2.0
Cisco Systems	1.6
Total	**40.3**

Market Capitalisation Exposure	(%)
Large (greater than US$ 10bn)	66.2
Medium (US$ 1bn to 10bn)	23.1
Small (less than US$ 1bn)	10.6

Trust Overview

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.

Polar Capital, 4 Matthew Parker Street, London SW1H 9NP
Telephone: +44 (0)20 7227 2709 Website: www.polarcapital.co.uk

31 July 2012

Fact sheet

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 five investment professionals.

Ben Rogoff - Director, Technology

Ben has been a technology specialist for fourteen years having begun his career in fund management at CMI, as a global technology analyst. He moved to Aberdeen Fund Managers in 1998 where he spent four years as a senior technology manager prior to joining Polar Capital in May 2003. He is lead manager of Polar Capital Technology Trust plc and is also joint manager of Polar Capital Global Technology Fund. Ben graduated from St Catherine's College, Oxford in 1995.

Technology Investment Management Team:

Nick Evans - Senior Fund Manager

Nick joined Polar Capital in September 2007 and has thirteen years experience as a technology specialist. He has been lead manager of the Polar Capital Global Technology Fund since January 2008. Prior to joining Polar he was Head of Technology at AXA Framlington and lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Global Technology from Aug 2001 to July 2007 (both rated five stars by S&P). He also spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. Nick graduated from Hull University with a degree in economics.

Fatima Iu - Fund Manager

Fatima joined Polar Capital in April 2006 after working as an analyst with Citigroup Asset Management for 18 months. She focuses on European technology stocks and has responsibility for coverage of the global medical technology sub-sector. Fatima graduated from Imperial College London in 2002 with a degree in Medicinal Chemistry.

Colin Moar - Fund Manager

Colin joined Polar Capital in January 2011, having spent 13 years covering pan-European and then Global Equity markets with the Technology sector as his main focus. He started his career at Morley Fund Management in 1997 initially covering UK/European equities before moving to their global equity team in 2002. From 2006 he took responsibility for €450m of the team's focused Global Equity funds. In January 2010 Colin joined HSBC Asset Management's Global Equity team as a Senior Fund Manager. Colin Graduated from the University of Edinburgh with a degree in Business Studies.

Xuesong Zhao - Fund Manager

Xuesong joined Polar Capital in May 2012, having spent most of the previous four years working as an investment analyst within the Emerging Market & Asia team in Aviva Investors, where he was responsible for the Technology, Media and Telecom sectors. Prior to that, he worked as a quantitative analyst and risk manager for the Emerging Market Debt team at Pictet Asset Management. He started his career as a Financial Engineer at Algorithmics, an IBM company, in 2005. He holds an MSc in Finance from Imperial College Science & Technology and a BA (Hons) in Economics from Peking University and is a CFA charter holder.

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

House View
This document has been produced based on Polar Capital research and analysis and represents our house view. All sources are Polar Capital unless otherwise stated.

Important Information
All sources Polar Capital unless otherwise stated. It is not a recognised scheme under s.76 of the Financial Services Act 1986 and its promotion is restricted to persons permitted by the Financial Services (Promotion of Unregulated Schemes) Regulations 1991.

The information provided in this document shall not and does not constitute an offer or solicitation of an offer to make an investment into any fund managed by Polar Capital. It may not be reproduced in any form without the express permission of Polar Capital.

This document is only made available to the intended recipient. Any other person who receives this document should not rely upon it. The law restricts distribution of this document in certain jurisdictions, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not provide all information material to an investor's decision to invest in the Polar Capital Technology Trust PLC, including, but not limited to, risk factors.

Statements/Opinions/Views
All opinions and estimates in this report constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. Polar Capital is not rendering legal or accounting advice through this material; readers should contact their legal and accounting professionals for such information.

Third-party Data
Some information contained herein may have been obtained from other third party sources and has not been independently verified by Polar Capital. Polar Capital makes no representations as to the accuracy or the completeness of any of the information herein. Neither Polar Capital nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data.

Holdings
The top 10 positions were selected based on percentage of AUM. This 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 complete list of the portfolio holdings may be made available upon request. It should not be assumed that any of the securities transactions or holdings discussed was or will prove to be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. The information provided in this document should not be considered a recommendation to purchase or sell any particular security.

Benchmarks
The following benchmark index is used: Dow Jones World Technology Index (Total Return). This benchmark is generally considered to be representative of the Technology equity universe. This benchmark is a broad-based index which is used for comparative/illustrative purposes only and has been selected as it is well known and is easily recognizableby investors. Please refer to www.djindexes.com for further information on this index. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. For example, 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 index noted in this presentation is unmanaged, are not available for direct investment, and is not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the index 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 index is included merely to show the general trends inthe periods indicated and is not intended to imply that the fund was similar to the index in composition or risk.

Regulatory Status
This document is Issued in the UK by Polar Capital. 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.

Information Subject to Change
The information contained herein is subject to change, without notice, at the discretion of Polar Capital and Polar Capital does not undertake to revise or update this information in any way.

Forecasts
References to future returns are not promises or even estimates of actual returns Polar Capital may achieve, and should not be relied upon. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. In addition, the forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place and may never do so.

Performance
Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Many factors affect fund performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment return and principal value of your investment will fluctuate, so that when your investment is sold, the amount you receive could be less than what you originally invested. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. 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 sercurities or smaller companies, their potential volatility may increase the risk to the value of, an the income from, the investment. Investments are not insured by the FDIC (or any other state or federal agency), are not guaranteed by any bank, and may lose value.

Investment Process - Risk
No investment process or strategy is free of risk and there is no guarantee that the investment process or strategy described herein will be profitable. Investors may lose all of their investments.

Allocations
The strategy allocation percentages set forth in this document are estimates and actual percentages may vary from time-to-time. The types of investments presented herein will not always have the same comparable risks and returns. Please see the private placement memorandum for a description of the investment allocations as well as the risks associated therewith. Please note that the fund may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. The actual performance of the fund will depend on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the fund while minimizing its risk. The actual investments in the fund may or may not be the same or in the same proportion as those shown herein.