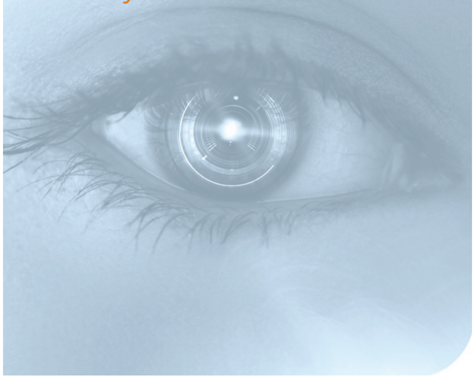
Polar Capital Technology Trust plc

Trust Fact Sheet

31 May 2016



Company Profile

Investment Objective

The Company aims to maximise capital growth for shareholders 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

The Polar Capital Technology team selects companies for their potential for shareholder returns, not on the basis of technology for its own sake. The team 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.

Trust Facts

Ordinary Shares

Share Price	594.50p
NAV per share	642.84p
Premium	-
Discount	-7.52%
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£850.7m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	2.87%

Benchmark

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

Fees [2,3]

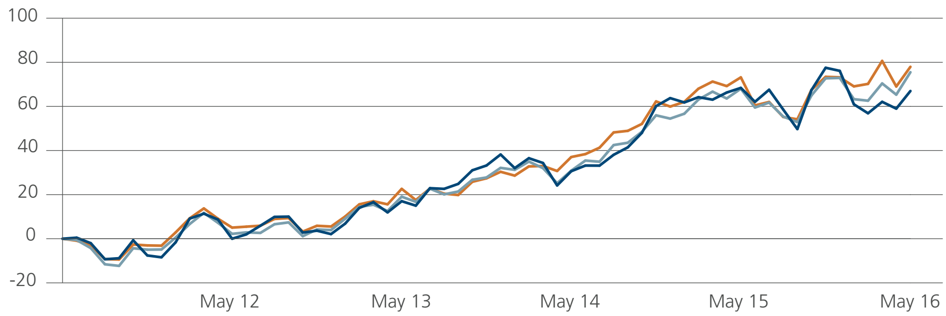
Management	1.00%
Performance	15% over Benchmark

FX Rates

GBP/USD	1.4555
GBP/EUR	1.3074
GBP/JPY	161.4222

Performance

Performance over 5 years (%)



	1 Month	3 Months	6 Months	1 Year	5 Years
Ordinary Share Price	5.04	6.45	-5.93	-0.83	66.99
NAV per Share	6.16	7.95	1.60	4.46	75.51
Benchmark	5.29	4.55	2.62	2.77	77.96

Discrete Annual Performance (%)

	30/04/16 31/05/16	30/04/15 30/04/16	30/04/14 30/04/15	30/04/13 30/04/14	30/04/12 30/04/13
Ordinary Share Price	5.04	-4.39	33.94	10.92	2.97
NAV per Share	6.16	1.05	30.71	11.17	5.01
Benchmark	5.29	-0.11	29.46	13.07	5.98

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, total return, Net of Fees in GBP terms. Past performance is not indicative or a guarantee of future results.

Risk Warning

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information on Page 5 and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

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.

1. Gearing calculations are exclusive of current year Revenue/Loss.
2. Management fee is 1% of net assets up to £800m and 0.85% on assets over £800m.
3. The performance fee is subject to a highwater mark and cap. Further details can be found in the latest Report and Accounts.

Awards & Ratings

MONEY OBSERVER RATED FUND 2016

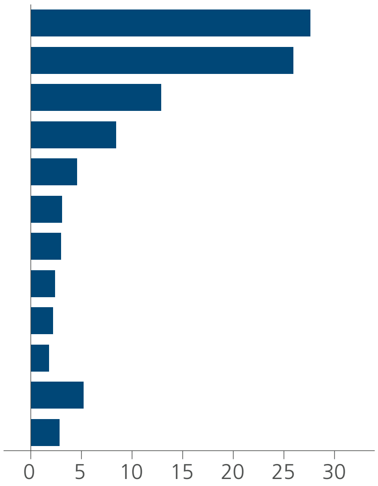
Polar Capital Technology Trust plc

Portfolio Exposure

As at 31 May 2016

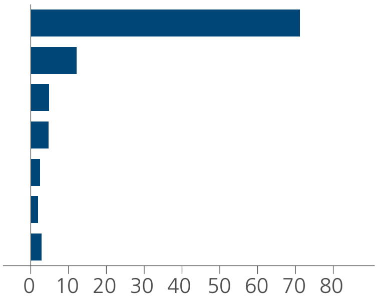
Sector Exposure (%)

Internet Software & Services	27.6
Software	25.9
Semiconductors & Semiconductor Equip.	12.9
Tech. Hardware, Storage & Peripherals	8.4
Internet & Catalog Retail	4.6
Healthcare Technology	3.1
Elec. Equip. Instruments & Components	3.0
Communications Equipment	2.4
IT Services	2.2
Machinery	1.8
Other	5.2
Cash	2.8



Geographic Exposure (%)

US & Canada	71.2
Asia Pac (ex-Japan)	12.1
Europe (ex UK)	4.8
Japan	4.7
UK	2.5
Middle East & Africa	1.9
Cash	2.8



Top 15 Holdings (%)

Alphabet	9.1
Apple	6.3
Facebook	5.9
*Microsoft	5.0
Amazon	3.5
Alibaba Group Holding	2.7
Tencent	2.1
Splunk	1.9
Intel	1.8
Salesforce.com	1.7
TSMC	1.4
CyberArk Software	1.3
Medidata Solutions	1.2
Netsuite	1.2
Texas Instruments	1.2
Total	**46.3**

Total Number of Positions 120

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	64.4
Mid Cap ($1bn - $10bn)	29.3
Small Cap (<$1bn)	6.3

*The Fund also holds Microsoft and Advanced Micro Devices (AMD) call options representing 44 bps of the NAV. Total delta adjusted Microsoft exposure is equal to 5.02% (stock 4.96% and delta adjusted call options of 0.06%) and the total delta adjusted AMD exposure is equal to 0.87%. The delta adjusted impact of these options is only reflected in the top 10 positions table all other exposure tables are based on MTM figures.

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

Details of the different ways of dealing in the company's shares are given on the website. Equiniti, the company's registrars provide an internet share sale service.

Telephone	0800 876 6889
Online	www.shareview.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

16 Palace Street, London SW1E 5JD
www.polarcapitaltechnologytrust.co.uk

Custodian

HSBC Plc is the Depositary and provides global custody of 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 2016
Continuation Vote	2015 AGM
Listed	London Stock Exchange

Codes

Ordinary Shares

ISIN	GB0004220025
SEDOL	0422002
London Stock Exchange	PCT

The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

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.

Fund Manager Comments

As at 31 May 2016

Market review

Equity markets were soft in May; the FTSE World Index rose 0.5% (in GBP terms). US economic data was generally robust during the month, with consumer sentiment, new home sales, the Case-Shiller Index of house prices and non-manufacturing ISM all showing marked improvement. The Atlanta Federal Reserve Bank's real time forecast for Q2 GDP growth edged up to 2.8%. The April US employment report was the only weak spot, missing headline expectations, although it was solid in the details. On the back of this economic strength, the Federal Open Market Committee minutes struck a hawkish tone, stating that "most participants judged that if incoming data were consistent with economic growth picking up in the second quarter... then it would likely be appropriate for the Committee to increase the target range for the federal funds in June". Rate expectations moved higher (with Goldman Sachs putting the probability of a rate hike at 35% in June and 90% by September), and the US Dollar Index rose 3% as a result. S&P 500 all sector corporate earnings fell at a blended rate of 7.1% in Q1 largely due to weakness in energy/oil and selected retail-related stocks. In Asia economic and political data points were more mixed – with a sub-50 manufacturing PMI offset by some clear evidence of short-term economic stabilisation. In Europe, Sterling fell 0.9% against the Dollar ahead of the 23 June UK 'Brexit' referendum with uncertainty weighing on the UK economy – the all-sector PMI pointed to just 0.1% GDP growth, while the UK's trade deficit hit an eight-year high. Financial markets globally remain risk averse – 70% of all German bond yields now have a negative yield – although our preferred (contrarian) measures of investor sentiment remain supportive of equities.

Technology Review

The technology sector outperformed the broader market in May, rising 5.0% (in GBP terms). First quarter earnings and fundamental data points were very positive, highlighting i) the structural attractions of Internet-based global technology platforms ii) the ability of new cycle beneficiaries to deliver strong growth amidst macroeconomic uncertainty and iii) the real challenges facing companies on the wrong side of the cloud and mobility technology trends.

Salesforce.com* rose 10.4% after reporting Q1 earnings, with billings growth (+ 31% year-over-year (y/y)) far exceeding analyst expectations of 15-20%. The company is flexing its muscles with customers, hiking UK enterprise prices by 40% and US enterprise prices by 20%, up to $150 per user per month. Notably, Salesforce became the latest company to announce a broad platform agreement to increase its use of Amazon Web Services (AWS). This powerful shift is in its infancy: Gartner estimate that IT spending growth on Infrastructure as a Service (IaaS) will be 15x the growth rate of overall IT spending in the coming years. Amazon's digital transformation of retail is also being felt across the globe. US department store market-caps fell by 17% on average during the first quarter earnings season, while Amazon's North American gross merchandise value (GMV) grew 38% y/y.

Alphabet* continues to perform well – in May it announced that it is adding local advertising to its Maps app, an asset with 1bn+ monthly active users (MAUs) that it has hitherto not attempted to monetise. This is a significant opportunity given that 30% of all mobile searches have a local intent or geographic element. Alphabet also reported that it now handles 2 trillion searches a year, up from 1.2 trillion in 2012, providing some evidence that the core search market continues to expand at a healthy rate. A recent Zenith Media report argued that Alphabet now captures 12% of global media spend, taking in $60bn in revenues, 1.6x more than second placed Disney**. Meanwhile, Alphabet and Facebook* combined accounted for 84% of incremental US advertising spend in the first quarter – a welcome reminder of Metcalf's law (the value of a communications network is proportional to the square of the number of connected users of the system) – re-enforcing our view that consumer internet is a "winner takes all" environment.

Whilst newer areas of technology are seeing robust growth, legacy profit centres are fading away: Morgan Stanley downgraded their forecast for enterprise server growth to just 1% in 2016, following several years of 3-5% growth (as reflected in Rackspace's** earnings miss). Apple's* position in this two-speed IT world remains unclear. Nikkei reported that Apple is moving to a three-year iPhone hardware replacement cycle, consistent with recent supply-chain data suggesting a largely unchanged form factor for this year's release. Investor opinions are divided – billionaire Carl Icahn exited his c$5bn stake in the same month Warren Buffett's Berkshire Hathaway bought c$1bn of shares. We believe the next iPhone product cycle to be incremental, followed by a more significant redesign in H2 2017 (when OLED screen technology and wireless charging are expected to be adopted). Whilst the stock looks to be attractively valued (at c6-7x forward EV/EBIT), stock price movement will likely be driven by the direction of earnings revisions.

There was a considerable amount of news-flow in the automotive technology space during the month. GM invested $500m in Lyft and VW put $300m into Gett (both emerging Uber competitors). Meanwhile, the Saudi Arabian sovereign Public Investment Fund invested $3.5bn in Uber** (at an implied valuation of $62.5bn) and Toyota also made an unspecified investment in the company. Apple invested $1bn in Didi Chuxing, a Chinese rival to Uber – perhaps looking for an end market for its eventual product, with reports suggesting Apple may now have over 1000 engineers working on an electric vehicle (EV) initiative nicknamed "Project Titan". Mobileye*, one of our holdings, is expecting its China revenues to increase "exponentially" after regulators moved to require ADAS in all buses and trucks. While the number of public investment opportunities are currently limited, the pace of innovation around electric vehicles (EV) is clearly accelerating and we are watching this space closely (Paul is attending the TU-Automotive conference in Detroit next week).

May was a good month for many of the next generation stocks in the Trust, due to strong first quarter results and the return of M&A. Splunk* delivered 41% licence growth, with orders for Splunk Cloud growing 100%+ y/y. EA* reported strong results. Revenues were well ahead of analyst estimates with digital distribution increasing to 77% of its mix in the quarter. AMD* guided positively ahead of its new GPU architecture release and games console launch, all due in the second-half of the year. Zendesk*, recently promoted to the leadership position of Gartner's CRM engagement center magic quadrant, held its first investor day. Favourable technology trends are helping Zendesk break into the enterprise market, while continuing to expand in its core SMB base. A recent AppAnnie survey showed that people under 25 spend at least 8x longer in messaging systems than they do in email today. Zendesk aims to grow from ~$200m in revenues today to $1bn by 2020. ServiceNow* hosted an upbeat financial analyst day, reiterating their $4bn 2020 revenue target. Arcam* performed strongly as it delivered solid results driven by aerospace demand for parts created with 3D printing (additive manufacturing) while Universal Display* benefited from increased speculation that Apple will adopt OLED display technology in late 2017.

Encouragingly, M&A activity appears to be picking up significantly – with the focus shifting from value and financial engineering-driven (largely in semiconductors due to slowing end markets), to more strategic, growth orientated deals. Since early April, Oracle** has made two SaaS (Software as a Service) acquisitions (Opower** and Textura**), Nice Systems acquired InContact** whilst Cvent*, Marketo** and SciQuest** have succumbed to private equity interest. In addition to a small position in Cvent, the Trust

Fund Manager Comments

As at 31 May 2016

benefited from the acquisition of one of its larger active positions, Demandware*, at a 67% premium by Salesforce.com (announced on 1 June). With many of the higher growth sub-sectors (including Internet, cyber security, Cloud and SaaS) still trading at discounts to their five-year valuation averages, we expect this activity and elevated levels of deal "premium" to be sustained.

Outlook

We remain broadly constructive on equity markets for a number of reasons. We believe muted investor sentiment will allow equities to edge higher during the year – climbing the proverbial "wall of worry" as each perceived risk ('Brexit', US interest rate rises and US elections) passes. We also believe policy makers remain on side, with the European Central Bank (ECB) remaining biased towards further easing whilst the US Federal Reserve (Fed) is likely to apply a dovish interpretation of economic data.

Employment trends have softened, but changing demographics suggest the economy may need to create fewer jobs over coming years than it has in the past to sustain growth. Our interpretation is one of a two-speed economy – with manufacturing-related sectors struggling, but consumer spending (70%+ of GDP) remaining well supported by low unemployment, housing, lending and inflation trends. Fundamentals for "next generation" technology stocks remain robust, demonstrating a clear divergence from larger incumbents struggling in the face of softer global growth, slowing smartphone/PC demand and mounting public cloud-related deflation. We expect our portfolio holdings in aggregate to deliver strong growth despite a lacklustre global economy. Valuations for most of our preferred sub-sectors, even after the recovery from February 2016 lows, remain below five-year averages. As such, we believe further de-rating is unjustified, which should allow underlying growth to return as the primary driver of stock performance. The combination of strong growth and attractive valuations is already driving renewed M&A activity which is supportive of our decision to move further away from our underlying benchmark.

A recent Gartner piece summed up our view nicely - ***"all IT markets are being disrupted by cloud computing… Over the next 5 years, over $1 trillion in compounded IT spending will be directly or indirectly impacted by cloud shift, making cloud computing one of the most disruptive forces of IT spending since the early days of the digital age".*** Our preferred areas continue to include online advertising, e-commerce, cloud infrastructure, cyber security, SaaS, games software, mobile payments and Chinese internet, as well as areas where technology is increasingly attacking the profit pools of other industries such as travel, media/TV distribution, automotive (including electric vehicles) and manufacturing (including factory automation, robotics, sensors and Internet of Things (IoT)).

*Held

**Not Held

10 June 2016

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 20 years of industry experience.

Nick Evans - Senior Fund Manager

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

Bradley Reynolds - Investment Analyst

John Gladwyn - Investment Analyst

Paul Johnson - Investment Analyst

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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 Company. 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 Company's best interest to do so. 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 not a recommendation to purchase or sell any particular security. It is designed to provide updated information to professional investors to enable them to monitor the Company.

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 recognizable by investors. Please refer to www.djindexes.com for further information on this index. Comparisons to benchmarks have limitations as benchmarks volatility and other material characteristics that may differ from the Company. Security holdings, industry weightings and asset allocation made for the Company may differ significantly from the benchmark. Accordingly, investment results and volatility of the Company may differ from those of the benchmark. The indices noted in this document are unmanaged, are unavailable for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the Company 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. Information regarding indices is included merely to show general trends in the periods indicated, it is not intended to imply that the Fund was similar to the indices in composition or risk.

Regulatory Status Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 16 Palace Street, London, SW1E 5JD. FCA authorised and regulated Investment Managers are expected to write to investors in funds they manage with details of any side letters they have entered into. The FCA considers a side letter to be an arrangement known to the investment manager which can reasonably be expected to provide one investor with more materially favourable rights, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The Fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the Fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Registrar on 0800 876 6889. The Fund is prepared to instruct the custodian of the Fund, upon request, to make available to investors portfolio custody position balance reports monthly in arrears.

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