POLAR CAPITAL TECHNOLOGY TRUST PLC

Half Year Report for the six months ended 31 October 2020

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YOUR COMPANY AT A GLANCE

INVESTMENT OBJECTIVE

The Investment Objective is to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world. The investment policy is set out in full in the Strategic Report of the Annual Report for the year ended 30 April 2020.

INVESTMENT RATIONALE AND APPROACH

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 can offer the potential for substantially faster earnings growth than the broader market.

Technology may be defined as the application of scientific knowledge for practical purposes and technology companies are defined accordingly.

While this offers a very broad and dynamic investment universe and covers many different companies, the portfolio focuses on companies which use technology, or which develop and supply technological solutions as a core part of their business models. This includes areas as diverse as information, media, communications, environmental, healthcare, financial, e-commerce and renewable energy, as well as the more obvious applications such as computing and associated industries.

MANAGEMENT STRUCTURE

The Company is an investment trust led by an experienced Board of Non-executive Directors with extensive knowledge of investment matters, the regulatory and legal framework within which your Company operates, as well as the various roles played by investment companies in shareholders' portfolios. The role of the Board is to provide oversight of the Company's activities and to seek to ensure that the appropriate financial resources and controls are in place to deliver the Investment Objective and manage the risks associated with such activities. The Directors have appointed various third-party suppliers to provide a range of services including investment management, depositary and administrative services to the Company.

Polar Capital LLP has been the appointed Investment Manager and AIFM throughout the year. Ben Rogoff, the appointed portfolio manager, has been responsible for the Company's portfolio since 1 May 2006 and is supported by a team of technology specialists. Polar Capital LLP is authorised and regulated by the Financial Conduct Authority.

FINANCIAL HIGHLIGHTS

	(Unaudited) As at 31 October 2020	(Audited) As at 30 April 2020	Movement %
Total net assets	**£3,017,730,000**	£2,308,597,000	30.7
Net Asset Value (NAV) per ordinary share	**2197.67p**	1715.59p	28.1
Price per ordinary share	**2095.00p**	1774.00p	18.1
Benchmark Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes)	**2991.5**	2415.4	23.9
(Discount)/premium of ordinary share price to NAV per ordinary share	**(4.7%)**	3.4%	
Ordinary shares in issue	**137,315,000**	134,566,000	2.0

KEY DATA

	For the six months to 31 October 2020	
	Local Currency %	**Sterling Adjusted %**
Benchmark (see above)	27.0	23.9
Other Indices over the period (total return)		
FTSE World	13.0	9.8
FTSE All-share	-	-2.0
S & P 500 composite	13.3	10.1
Nikkei 225	14.7	13.9
Eurostoxx 600	2.0	5.6

Exchange rates	**As at 31 October 2020**	**As at 30 April 2020**
US$ to £	1.2930	1.2614
Japanese Yen to £	135.17	134.88
Euro to £	1.1100	1.1516

No interim dividend has been declared for the period ended 31 October 2020, nor were there for periods ended 31 October 2019 or 30 April 2020, and there is no intention to declare a dividend for the year ending 30 April 2021.

References throughout this document to "the Company" or "the Trust" relate to Polar Capital Technology Trust PLC while references to "the portfolio" relate to the assets managed on behalf of the Company.

INVESTMENT MANAGER'S REPORT

Market Review

The half year to 31 October 2020 saw global markets recover from March lows, the FTSE World index delivering a total return of 9.8%, in sterling terms. Positive returns reflected a combination of earnings upside and valuation expansion, partially offset by a modest recovery in Sterling. The path of the COVID-19 virus and policymakers' responses to it dominated the period as markets grappled with the economic impact of this extraordinary global crisis. Lockdown measures in Europe and especially in Asia were successful in suppressing the spread of the virus and 'flattening the curve' to allow healthcare systems more time to prepare and (theoretically) to scale up their robust testing and contact tracing infrastructure. Mortality rates over the summer in Europe were not far from normal as infection levels remained low and hospitals became more adept at treating serious COVID patients. At this time the epicentre of the pandemic spread to South America but has since returned to Europe, where many countries have reinstituted lockdown measures as case numbers have risen sharply and the 'second wave' has come to pass. The US has followed a slightly different path with no national-level lockdown under Trump's leadership but also seeing a decline and rebound in case rates directionally similar to European countries. Markets responded sharply to news of potential vaccines and therapeutics which are been expected to play a major role in determining the timing and shape of the economic recovery, and to central bank and governmental policy support that has generally been robust, timely and effective.

The scale of fiscal and monetary support has been staggering. Between February and November 2020, governments around the world announced fiscal stimulus packages potentially worth $14.4tn, or 16.7% of global GDP. The US CARES Act passed at the end of March provided $2tn in direct fiscal support for the economy in the form of recovery rebates ($1200 per individual) and dramatically expanded Pandemic Unemployment Insurance of $600 per week. It also offered $377bn in loans and grants to small businesses including the Paycheck Protection Program (PPP) in the form of forgivable loans to businesses that retained staff. State and Local governments received $330bn in direct support and the Fed was also permitted to buy primary or secondary market loans of corporations or municipalities. In Europe, EU leaders agreed on a €1.8tr fiscal stimulus package including a €750bn post-pandemic recovery 'Next Generation EU' fund (NGEU), which represented the first time the EU has issued common debt. Just as significant as the fiscal response was the commitment of global central banks to provide liquidity, as they offered a potential liquidity injection of $12.8tn, or 14.8% of global GDP. Central bank's absolute commitment was as significant as the scale of support in keeping sovereign bond yields relatively stable at low levels. At the June FOMC press conference Chair Jerome Powell was unequivocal: "We're not thinking about raising rates. We're not even thinking about thinking about raising rates." The US 10-year bond yield reached an historic low of 51bps on 4th August, and credit markets continued to function well throughout the period. Perhaps most notably, equity market volatility as measured by the VIX index never returned to March highs of 82, even in the event of US civil unrest in June (35) or running into a potentially disputed Presidential election in November (40).

In the US, Q2 GDP declined at an annualised rate of -32.9% (modestly better than expectations for a -35% decline), but the economy began to recover as the quarter progressed – having lost 22.2m jobs in March and April, the US economy added 2.7m in May, followed by 4.8m in June (versus 3m expected), the highest monthly number of jobs added on record. Europe saw Q2 GDP contract by -39.5% although the impact on labour markets was more muted as European government's fiscal responses relied more on furloughing measures than the US. During the summer US and European economic data bounced back strongly from very depressed levels as the recoveries in output (GDP), the labour market and sentiment indices surprised to the upside. The US reading for the Citi Economic Surprise Index entered June at -55 and exited the month at +180, which was the strongest reading in history and well ahead of the previous peak of 75 in December 2017. In response to the strong economic data and Q2 results that were generally ahead of expectations, the S&P 500 set record highs in August, posting its strongest August return for 34 years. The concentration of the index also reached a higher level than at any time in the past 40 years with 25% of the S&P 500 market cap accounted for by the five largest US companies – Apple, Microsoft, Amazon, Facebook and Alphabet (Google).

After a strong summer, global equity markets pulled back in September and the S&P 500 declined for four straight weeks as risk sentiment was restrained by increasing COVID-19 cases and deaths in Western Europe, the ongoing impasse in Washington over the next round of fiscal stimulus and fraying US/China relations. By the end of September, COVID-19 had reached more than 33 million confirmed cases and more than one million deaths globally, with outbreaks continuing to occur across the world.

The US labour market recovery also showed signs of slowing, with non-farm payrolls only up 661,000 in September, below expectations for 850,000 and a notable deceleration from the 1.5 million increase in August. The US Presidential election campaigns took place against a backdrop still dominated by COVID (President Trump himself having tested positive for the virus),and Presidential candidate Biden's odds improved steadily over the period, but the final result proved much closer than many polls were predicting and the possibility of a Democratic landslide did not materialize. Investor attention rapidly turned to the likely strong efficacy of COVID-19 vaccines following strong phase 3 data from Pfizer and Moderna's vaccines.

Technology Review

The technology sector significantly outpaced the broader market during the half year, the Dow Jones Global Technology Index advancing 23.9%, in sterling terms. Unlike in prior years, US performance provided little in terms of tailwinds, nor did the Dollar which weakened by 5% on a trade-weighted basis. **Instead, technology outperformance was driven by the sector's relative growth profile, its balance sheet strength and the remarkable acceleration in technology adoption that has occurred during this difficult period.** COVID may well represent "humanity's greatest threat", but it has also proved the criticality of the technology sector (and the Internet) which kept a modern global economy working relatively effectively during a lockdown induced by a global pandemic. It was fitting then that the period also saw the NASDAQ 100 index finally recover the entirety of its relative underperformance associated with the dotcom peak and in June – after 20 years, 3 months and 3 weeks – was back level with the performance of the S&P 500. Strongest performance was delivered by the Internet subsector (+35%). Semiconductors performed surprisingly well, the Philadelphia Semiconductor Index (SOX) rising +25% taking the semiconductor-rich Asia ex-Japan technology (+25%) with it. Subsectors with the greatest enterprise exposure delivered weakest performance such as networking (-2%) and IT services (+4%) while Apple strength ameliorated broader weakness within the hardware subsector (+17%). Small caps trailed materially, the Russell 2000 (small) and Russell 1000 (large) technology indices gaining +13% and +21% respectively.

Internet companies have proved the greatest beneficiaries of the crisis, with ecommerce penetration having soared from c.16% of US retail spending in Q1'20 to a peak of over 40% in May before moderating somewhat. Surging ecommerce was evident at Amazon which delivered a strong Q2 with its online grocery business tripling y/y while AWS become a $40bn revenue business on a trailing twelve-month basis. Strength continued into Q3 with revenues +36% y/y, although incremental COVID-related costs (c$6bn in Q2 and Q3 combined) muted earnings upside. In China, Alibaba delivered similar revenue growth (+34% and +30% in its CQ2 and CQ3). However, smaller ecommerce companies fared significantly better with more to gain from the crisis than the market leaders. E-commerce platform Shopify grew sales 97% and 96% y/y in Q2 and Q3 respectively, Wayfair (not held) saw revenues surge by 84% in Q2 while in the UK, revenues at Ocado increased 40% y/y in Q2, up from just 10% in Q1. With restaurants closed or severely restricted, food delivery platforms delivered notably strong results across the board. M&A added some additional spice, with Uber looking to acquire Grubhub in February before Just Eat Takeway prevailed with an all-stock deal worth $7.3bn in June. Surging ecommerce and P2P activity also benefited **payment companies** during the period. PayPal posted +30% y/y total payment volume (TPV) in Q2 – the highest since the company separated from eBay in 2015 – while adding 21m active accounts, more than they added in the whole of 2016. However, Visa and Mastercard struggled as lockdowns and collapsing travel spending impacted their lucrative cross-border business.

Sharply lower travel and leisure spending also impacted Alphabet in Q2 with core search revenue declining 10% while YouTube sales only grew 6%. This was in stark contrast to Facebook where advertising revenues increased 10% and 21% in Q2 and Q3 respectively, reflecting a high percentage of direct response in its mix and a 'long tail' of over 9m advertisers. While we shifted exposure between the two platforms in Q2, we substantially rebuilt our Alphabet position ahead of a more encouraging Q3 report where search +6% y/y and YouTube +32% both reaccelerated. Overall **Internet advertising** trends remained remarkable strong with most social media platforms benefitting from elevated engagement with Pinterest adding 49m MAUs, Twitter 20m DAU and even venerable eBay* added 8m active buyers in Q2. Monetising these newly acquired customers (and the existing base) proved less uniformly positive, but overall the pandemic has allowed smaller platforms such as Snap and Pinterest to achieve scale and relevance in an accelerated fashion. They also have little to lose from increased regulatory scrutiny of the larger platforms, covered in the 'outlook' section.

COVID has also provided a boon for the streaming content companies such as Netflix which added 26m net new subscribers in 1H20, more than twice the 12m added during the equivalent period in the prior year, while podcast listening hours doubled at Spotify. Likewise, **videogaming** companies delivered strong first and second quarter results reflecting elevated usage (thanks to stay at home restrictions). Our holdings enjoyed strength in their core franchises (Activision – Call of Duty, Take-Two – GTA V, NBA2K), while Nintendo benefited from demand for its *Switch* platform which was frequently sold-out during lockdown. However, stock performance in these stay-at-home winners tailed off towards the end of the period as lighter-than-expected Netflix Q3 subscriber numbers highlighted the risk of pull-forward and normalisation of demand post COVID.

The need to accelerate **digital transformations** and support **remote work** provided strong tailwinds for the software sector during the period. Against a backdrop of weaker IT budgets, **cloud migration** continued apace, evident by 29% y/y growth at Amazon Web Services (AWS) in Q2 and Q3 while averaging 40-50% at both Microsoft Azure and Google Cloud during the same period. Most of our software-as-a-service holdings continued to deliver strong results epitomized by automation software leaders ServiceNow (+25% subscriptions billings in Q3) and Salesforce.com which reported an outstanding Q2 with upwardly revised guidance, driving the largest one-day share price move in the company's history. While there were some disappointments such as Alteryx that lowered guidance in Q2, there were many more positive surprises as furlough schemes helped prevent corporate failure while the need to find new customers trumped lower overall levels of activity. Meanwhile, software designed to facilitate remote work enjoyed some of the strongest performance, led by communication platform as a service (CPaaS) leader Twilio. However, the most remarkable upside was delivered by Zoom – arguably the company most synonymous with lockdown – which, in Q2 delivered revenues +355% y/y (32% ahead of expectations) with operating margins of 42% - without doubt, one of the best quarters we have ever seen.

Despite a significantly weaker macroeconomic backdrop, **semiconductor** stocks fared relatively well (and much better than many other cyclical subsectors) although end market fortunes varied considerably. Cloud and AI-related spending remained robust, aiding NVIDIA (datacentre revenues +80% y/y in Q1) and AMD, which also benefited from continued market share gains at Intel's expense whose leading-edge manufacturing woes deepened. 5G also remained a relative hotspot amid infrastructure deployment and ahead of Apple's iPhone 12 launch. Qualcomm stood out, delivering better than expected numbers, together with a $1.8bn settlement with Huawei and a long-term global patent licence agreement. The combination of 5G smartphone strength and high-performance computing helped TSMC deliver revenue growth of 22% y/y in Q3, while increasing its 2020 revenue forecast from +20% to +30%. However, enterprise trends remained weak after earlier lockdown-related strength, while auto-related companies fared poorly on plunging end demand. This uneven backdrop was further confused by uncertainty over associated Huawei demand as the latter revealed in May that it had built up a two-year reserve of the most important US chips to shield it from further restrictions from Washington. The period ended with some material M&A. AMD announced the acquisition of FPGA manufacturer Xilinx in a $35bn all-stock deal. We owned both stocks (and still do) and like the acquisition as it expands AMD's total addressable market from $80bn to $110bn and should allow the company (and a management we respect highly) to realise $300m of cost synergies within 18 months of closing the deal. Marvell Technology announced the acquisition of Inphi in a $9bn cash and stock deal a few days later.

Apple enjoyed another strong period, following an upbeat Q2 report (which saw the iPhone segment unexpectedly return to growth thanks to its new mid-range offering) and ahead of the long-awaited iPhone 12 (5G) launch. Despite a well-choreographed challenge to its App Store economics from Epic Games (owner of Fortnite) and ongoing antitrust investigations being conducted by the EU, Apple became the world's most valuable company during the half-year, briefly breaching the $2tr market capitalization mark. Towards the end of October, Apple unveiled the iPhone 12 which was largely in line with expectations with respect to product pricing, shipping dates and specifications, although the company's decision to not provide formal guidance when it reported Q3 results weighed on the stock somewhat.

Portfolio performance

The Trust outperformed its benchmark, with the net asset value per share rising 28.1% during the first half of the year versus 23.9% for the benchmark. This reflected strong stock selection across all regions and market capitalisation tiers which more than offset the drag to performance represented by liquidity and our NASDAQ puts.

At the stock level, strongest relative performance was delivered by COVID beneficiaries concentrated in the Internet and software subsectors. The dramatic acceleration in online spending due to lockdowns benefited ecommerce companies such as Zalando (+87%) as well as digital payment platforms such as PayPal (+47%) and Square (+131%). This was particularly true in food delivery (with restaurants closed and/or severely restricted) helping drive strong returns at Meituan Dianping (+169%), GrubHub (+50%) and Ocado (+42%). However, the strongest performance was enjoyed by Peloton (+240%) where sales of its connected home gym equipment (and software subscriptions) have surged during COVID. In addition, the need to find new (and retain existing) customers during lockdown has proved a boon for digital marketing companies including HubSpot (+67%), as well as social media platforms such as Pinterest (+177%) and Snap (+117%).

Within software, demand for modern software able to support remote work has been most evident at Zoom (+231%), but a number of other cloud software vendors have also experienced sustained strength including Twilio (+141%), Cloudflare (+114%) and CrowdStrike (+78%). Accelerating Cloud adoption has also taken its toll on legacy vendors as IT budgets continue to migrate away from enterprise-centric solutions. The Trust benefited from continued underperformance of the likes of Cisco, IBM and Oracle where we have zero exposure (because we perceive them to be negatively impacted by technology change) as well as by travails at both Intel and SAP where we had limited exposure and which we exited during the half-year. Alternative energy stocks also deserve a special mention, benefiting from sharply lower risk-free rates, accelerating electric vehicle (EV) adoption and a growing list of countries announcing their intention to achieve carbon neutrality. The portfolio benefited from some remarkable performances in a number of smaller positions including Tesla (+141%), SolarEdge (+124%) and BYD (+207%).

In terms of negatives, liquidity and our NASDAQ put options represented the most significant drag on performance during the period as markets moved sharply higher. The average cash position cost of just under 5%, dragged on relative performance by 1.1% while our NASDAQ put options (which had added significantly to performance during the last financial year) detracted by 0.9% in absolute terms. **At the stock level, Apple (+45%) proved the most significant detractor to relative performance as our largest underweight position again cost approximately 1% in relative terms during the half year.** In addition, the portfolio was negatively impacted by a number of travel-related stocks such as Visa (cross-border transactions) and Uber which were challenged by COVID-related lockdowns. As ever, there were also a few genuine disappointments with FLIR Systems and Ciena both falling short of expectations, but these were largely contained to the portfolio tail.

Market Outlook

There have now been more than 52m cases of COVID-19 recorded and tragically more than 1.3m deaths. Pfizer's phase 3 vaccine study indicating more than 90% efficacy against COVID-19 infection represents a major milestone in the battle against the disease. More recently, the UK became the first country to approve and begin vaccinations which augers well for the recovery trajectory in 2021. However, the vaccine news does not change the economic reality in the short term, further lockdown measures in Europe are likely to push the continent into a double-dip recession and the impressive recovery in US jobs (unemployment rate in October 6.9%, with more than half of the jobs lost to COVID already recovered) may stall if the steepening of the infection curve there requires further lockdown measures as have already been seen in New York and Chicago.

The IMF now projects global growth to be -4.4% in 2020, an improvement from the June projection for a -4.9% decline, reflecting better than expected second quarter GDP data as economic activity rebounded strongly in advanced economies. This is expected to be followed by +5.2% global GDP growth in 2021, which should see the global economy surpass its 2019 size by the end of next year (China has already achieved this milestone). This rebound, however, is not expected to be material enough to allow the global economy to catch up with the path of economic growth anticipated before the COVID-19 pandemic. More concerning is the impact of the virus and the measures taken to limit its spread on longer term drivers of global prosperity – education, employment, capital formation and productivity. Federal Reserve Chair Jay Powell recently put forward his chief macroeconomic concern as "the risk that there is some longer-run damage to the productive capacity of the economy". Policymakers are still required to trade-off the risks between sustaining economic activity and ensuring debt levels do not rise to such an extent that they stifle the long-term economic growth potential they seek to protect. This must be undertaken in an environment of heightened short-term spending needs to combat the virus and support the economy (including vaccines, income support, higher unemployment benefits) and a shrinking tax base. An important shift has occurred in global policymaking, whereby even the OECD (not known for its advocation of fiscal profligacy) is calling for additional government borrowing and spending. This commitment represents an explicit rejection of the "fiscal mistakes of the last 2008 crisis" in failing to limit bankruptcies and unemployment in the hope of fending off an otherwise overwhelming sovereign debt burden.

Despite the terrible human and economic costs inflicted by the virus, equity markets have responded positively to global policymakers' overwhelming monetary and fiscal response. The 2020 bear market saw a much faster collapse and recovery than many previous bear markets as both the depth of the economic shock ($9tn decline in GDP) and the scale of fiscal and monetary response (~$21tn in total; >6700 separate fiscal and monetary policy measures globally) were far outside historical precedent. Global central banks purchased $1.2bn worth of assets every hour. This rebound was all the more striking as the S&P 500 had already reached a new high on February 14th, before dropping by more than a third within the space of five weeks as the scale and ferocity of COVID-19's spread became more apparent. The subsequent rebound (+59% through November 9) has seen a seismic shift in equity market value transferred across several interrelated vectors. Most obviously, the value of firms in industries directly impacted by restrictions on economic activity such as airlines, energy and banking has shifted to those whose value was enhanced by the new stay-at-home and work-from-home environment such as software, internet and home furnishings. This has also precipitated – or rather accelerated – the transfer of value from older, slower-growth companies to younger, higher growth companies, and from the relatively capital-intensive to the relatively capital-light. The other striking feature of the rebound was the dominance of mega-cap tech. As at November 9, the S&P 500 had returned 12% YTD, with the FAAMG group (Facebook, Apple, Amazon, Microsoft, Google) having returned 48% and the remaining 495 companies having returned just 4%.

It seems unlikely that the overall level of earnings will rebound to pre-pandemic levels until the end of 2021 (probably later in Europe), but with an encouraging vaccine outlook and a policymaker 'put' underpinning equity markets, the path of least resistance may well be higher. The size of likely US fiscal stimulus has been widely debated – and the precise political conditions for it will not be known until the run-offs for the Georgia Senate seats are completed in January – but the prospect of further US stimulus occurring is not in doubt. Some equity strategists are turning bullish as macroeconomic risk levels appear to be trending down as the US presidential election looks likely to produce legislative gridlock – or at least a legislature moving towards the centre.

Furthermore, corporate earnings are recovering strongly, fiscal and monetary policy remains unquestioningly supportive, the labour market is recovering and inflation appears subdued. S&P 500 earnings beat consensus by 23% in Q2 and 23% in Q3, but, like GDP, are not forecast to recover to pre-pandemic levels until the end of 2021, assuming an overall ~-17% decline in 2020 and strong rebound of more than 20% in 2021. Global equity markets are expected to follow a similar pattern with a ~-20% decline in global earnings followed by a stronger bounce (+30%) in 2021. Bank of America data indicated that the biggest week of global equity inflows ($44.5bn) occurred on election and vaccine news, surpassing the prior record in March 2018.

Historically, the most common bear markets have been 'cyclical' as inflation overshoots (or is expected to overshoot) and central banks raise interest rates to counteract this. There are also 'structural' bear markets as major imbalances or asset bubbles are painfully unwound – usually coinciding with a banking or property crisis (notably 2008). Finally, there are 'event-driven' bear markets where an exogenous shock knocks an otherwise healthy economic expansion off course, sometimes in dramatic fashion, and then the market rebounds quickly as prior economic momentum is recaptured. The 2020 bear market appears to be best characterised as an 'event-driven' phenomenon in response to the extraordinary exogenous shock from the COVID crisis. Short-term risks are heightened as the path to recovery is uncertain but given the scale and efficacy of policy support thus far, markets can expect that this continues in what has so far been a remarkably low inflation and low-rate environment.

The extraordinary disparity of returns between value and growth stocks has been a stark reminder of the difficulty of investing on a 'mean reverting' basis. The resolutely downward path of interest rates has supported the valuation of long-duration growth assets. Furthermore, technology companies have rapidly captured profit pools and chipped away at 'moats' around traditional business models in 'value' sectors, and demonstrated that intangible assets (software, intellectual property, 'users') can materially appreciate in value as usage intensifies over time, while tangible assets depreciate. While the multiple premium of MSCI Growth over MSCI Value has this year reached levels not seen since 2000 (though has come in somewhat in recent weeks), there is little historical evidence to suggest that valuation disparity extremes of themselves trigger changes in market direction or leadership, although they can impact the speed of a shift if fundamentals are thought to have changed. The most important question for investors, therefore, is whether fundamentals have or are likely to change as the world moves beyond from the immediate impact of the COVID crisis.

Portfolio Risks

As we discussed in our most recent Annual Report, there are many risks to our constructive if guarded market view. **The most significant risks relate to the success of efforts to suppress the spread of COVID-19.** These risks relate to the timeline, efficacy, uptake and availability of vaccines and therapeutics and the success of ongoing social distancing and other containment measures. There are 47 vaccines in clinical trials today all of which target the same Sars-Cov-2 spike protein, so positive results from Pfizer and Moderna have been taken as a very positive early indication. Global supply capacity commentary suggests that Pfizer will be able to produce 1.3bn vaccine doses by the end of 2021 (each patient requires 2 doses), Moderna could produce 1bn doses and AstroZeneca/Oxford could reach a 3bn dose run rate (assuming their clinical data is positive). Logistics, distribution and allocation are complex given the fact that Pfizer's vaccine needs to be stored at -70C and Moderna's at -20C, which may prove especially challenging in emerging markets, but these problems are not insoluble. Dr. Anthony Fauci, the leading US infectious diseases specialist, has suggested that a COVID vaccine could be available to all Americans by April.

There is a risk people will be slow to take a vaccine developed at breakneck speed, especially those who are at low risk of serious harm themselves (i.e. those under 65 and not obese), and those who take heed of vocal but unscientific 'anti-vaxxer' movements. The situation is, for once in 2020, not 'unprecedented'. In the 1950s the Salk vaccine (80-90% effective) promised an end to frequent polio epidemics that had harmed hundreds of thousands of children in the first half of the twentieth century, including President Franklin D Roosevelt. Children were widely vaccinated from 1955 but 'teenagers' (the word became widely used only after WW2) often opted out, exposing themselves to harm and limiting the prospect of 'herd immunity'. In 1956 an iconic image of Elvis Presley receiving his polio shot kick-started a massive increase in uptake, but the key development was the Teens Against Polio (TAP) movement – a highly effective grassroots campaign encouraging teenagers to get immunised. This included the holding of dances with entry permitted only on proof of vaccine, and nationwide 'sock hops' (where dance goers removed their shoes to dance), which were dubbed as 'Salk Hops' in honour of the vaccine's creator. Young women were even asked to deny the dating requests of would-be suitors unless they had been vaccinated (a time-honoured approach to public policy well documented in *Lysistrata* in 411 BC). But TAP worked: by 1960 there was a 90% decrease in the incidence of polio versus 1950, and the disease was soon effectively eradicated. A similar hearts and minds campaign may be necessary in 2021 and although Kayne West might have missed out on the Presidency this time, he could still play a leading role in the US recovery.

The major negative tail risk to markets is a sustained move higher in inflation that forces a rate hiking cycle – or brings forward expectations of one. The sharp upward move in the US 10-year bond yield and a steepening of the yield curve on the news of Pfizer's positive vaccine data is likely a precursor for the direction of interest rates should further good news on the containment of the virus materialize. The unleashing of pent-up demand, employment recovery and sharp increase in economic activity expected on a fuller reopening will likely put upward pressure on rates globally as consumers run down their now excess savings, and the steady increase in the level of inflation forward breakevens has been a precursor of this. The risk of a policy error from hiking too early looks to have been ameliorated somewhat as the Fed has recently raised the burden of proof to begin rate hikes only once unemployment reaches "the committee's assessment of maximum employment" (likely below the pre-COVID 3.5% unemployment rate), or if average inflation (PCE) has reached its 2% target and "is on track to moderately exceed it for some time". Given the US unemployment rate currently stands at 6.9% (Oct 2020) and US core PCE inflation has not exceeded 2.5% since the early 1990s, analysts are not forecasting rate hikes before 2024 or 2025. This could all change, however, if inflationary forces appear to become more persistent.

Other risks to consider include **elevated equity valuations** that already capture some of the recovery upside and depend heavily on persistence of low risk-free rates. Despite near-record earnings upside during Q2 and Q3 earning seasons, the forward PE on US stocks stands at 21.6. This P/E ratio is in the

96th percentile versus its history and well above the 5-year average of 17.3 and above the 10-year average of 15.5. However, equity valuations continue to look well supported by (now record low) risk free rates, policymaker support and the absence of inflation. We should also consider the potential for **windfall and other taxes** to help governments address record **debt burdens** that may also weigh on post-COVID growth trajectories. While incoming President Biden may adopt a less staccato approach than his predecessor, US-Sino trade tensions represent a key risk to global growth and political stability.

Finally, we should also consider **upside** risks as highlighted in our last annual report that the combination of a vaccine and unprecedented stimulus could presage a **melt-up**. As we have previously argued, it is difficult to know what the right price for something is when US risk free rates are near zero. On a relative basis, equities continue to look attractive compared to bonds and cash with two-thirds of S&P 500 constituents boasting dividend yields above ten-year US Treasury yields while around one quarter of global bonds - equivalent to more than $17tr - currently trade with negative yields. With lenders now paying Greece for the privilege of lending it money and with more than $5tr currently parked in US money market instruments, the merest inflationary whiff could set off a 'great rotation' from bonds and cash into equities and give the "most hated bull market in history" the send-off it deserves.

Technology Outlook

At the time of writing, vaccine progress is providing some recovery light at the end of the COVID tunnel. Alive to the risk of further factor rotation against a backdrop of extreme outperformance of growth over value during the pandemic (with valuations aided by low interest rates and growth scarcity), we decided to pare our exposure to some of our greatest stay-at-home beneficiaries and exited a few stocks where valuations appear extended or where year-over-year comparisons in early 2021 will be challenging. In return, we have added to stocks (existing and new) that we expect to benefit from a global reopening or a more normalized macroeconomic backdrop. **Despite this modest recalibration, we retain high conviction in our 'new normal' thesis**. COVID-related behavioural changes will persist long after the pandemic, particularly where new solutions address inefficient, expensive or outdated practices. Telemedicine, digital payments, online banking, social commerce, direct to consumer retail and food delivery are just a few consumer-facing trends and applications that we expect to continue. Likewise, businesses are not likely to return to earlier practices having embraced next-generation software that facilitates higher productivity and flexible working patterns. The need for businesses to digitally transform themselves to avoid obsolescence will not cease with a vaccine, nor do we expect industries that were challenged before COVID to enjoy lasting succour from reopening.

In our last Annual Report, we drew on the Second World War as a parallel to the pandemic with focus on the role it played in accelerating technology innovation. **We are equally excited about what it might reveal about the world *post* COVID** – a parallel we hope to draw out in next our Annual Report. For now, a cursory study suggests that the world we knew before the pandemic is unlikely to return, just as the pre-war world was lost forever even after war was concluded. In the UK (and elsewhere) post-war elections produced governments that radically altered social policies. Expansion of the welfare state was epitomised by the creation of the NHS in 1948, while the Education Act of 1944 ensured free secondary education for all children. Today's pandemic has significantly accelerated change within healthcare with regulators more amenable to change, health agencies working closely with technology companies while telemedicine and AI chatbots have been widely deployed during the lockdown and are likely to prove critical if governments are to keep to their 'cradle to grave' post-war pledge. Likewise, Zoom, Microsoft Teams and other platforms have not only kept schools open virtually during the pandemic, but now that they have been broadly adopted, they also offer us a glimpse of how remote learning and digital-only schools might be able deliver best-of-breed education for *all* children regardless of where they might live in the real-world.

We might also have something to learn from post-war reconstruction, in particular the creation of **new towns** such as Hatfield, Milton Keynes and Stevenage designed to address a housing shortage and the overspill of population from London. Today, COVID has made remote workers of us all. With flexible working likely to persist, less need to commute to cities in the future has also resulted in some de-urbanisation and the rise of so-called *Zoom* Towns - 'gateway communities' with more affordable housing. Likewise, **automation** and **AI** is likely to have a lasting impact on workforces long after COVID 'acceleration' has normalised, just as WWII and the post-war labour shortage had a profound effect on the role of women and the use of migrant workers. The case for **robots** has also been greatly aided by the pandemic ("a crisis robots were built for") with the need for social distancing advancing the case for self-service checkouts in supermarkets, co-bots in factories and "touchless hospitality" in hotels with room keys collected by scanning a QR code and even food and drink being delivered by robots to guests under quarantine.

The end of COVID may also presage a reordering of relations between countries, just as the postwar world saw the rise of internationalism and the creation of supranational bodies such as the UN designed to foster greater cooperation (and help prevent war) and a new beginning for globalisation which saw exports as a share of global GDP rise from 4% to 9% between 1945 and 1970 before doubling again in the 1980s. With cross-border trade in goods and services now at c.28% of global GDP, the post COVID world might see more countries reasserting their national interests (a la *Brexit*) in order to tackle a number of challenges exacerbated by globalisation, including widening economic inequality, unprecedented movement of people and of course, climate change. Thankfully the pandemic has helped highlight how humans tend to overlook low-probability, high-impact risk - something equally applicable to climate change – and the need for a global coordinated response. While NATO might not survive Turkish expansionism, the Paris Agreement should be just fine, especially with a new US President.

One final observation from our post-war parallel might be that expectations of above-trend global growth post COVID could disappoint. In the case of the UK, the economy did not recover its pre-war level until the 1950s, in part due to government indebtedness. The war also accelerated the decline in British power that peaked at the end of the 19th century and – thanks to two world wars, Bretton Woods, decolonisation and the rise of America – was laid bare by the time of the Suez Crisis in 1956. Today, we might consider whether COVID and the rise of China represent the same existential threat to US power and *Pax Americana* as it (and world war) did to the British Empire. While the Fed remains the world's lender of last resort, US debt levels may not matter, but they are already at / around 100% of GDP - the first time since WWII; far from the 258% reached by Britain in 1946/47 but an inauspicious waypoint, nonetheless.

While the immediate path for the technology sector may wax and wane with vaccine / COVID developments, our constructive medium-term view remains unwavering. **The 'new normal' is unlikely to prove as costly a moniker as the 'new economy' proved post 2000, a view supported by a profoundly different valuation starting point.** Today, the S&P technology sector trades at 26.7x forward earnings – meaningfully higher than where it stood twelve months ago (20.6x) but largely a function of the re-rating of equity markets. In terms of relative premium, the sector continues to trade at/around 1.3x the broader market – little changed from where it stood six and twelve months ago. As in prior years, these metrics ignore the technology sector's superior collective balance sheet. In contrast to the dotcom years when technology accounted for 32% of S&P 500 market cap and c.13% of earnings, today the sector explains 27.4% of S&P 500 market cap and 26% of its earnings.

The sector's superior growth profile that has driven much of its recent outperformance was once again evident during Q3 earnings season. With 92% of the S&P 500 having reported, the technology sector has delivered overall revenues and earnings growth of 3.5% and 4.0% y/y respectively, as compared to the S&P 500 which has seen y/y revenues and earnings decline by 1.6% and 7.1%. For the full year, technology is expected to grow earnings at 4.0% as compared to -14.5% for the S&P 500. However, in part due to easier comparisons, the S&P 500 earnings 2021 rebound is expected to outpace the technology sector with growth pegged at 22.1% and 14.3% respectively.

While the market may simply look through this reversal in (one year) earnings fortunes, the prospect of less scarce growth once the worst of the pandemic is behind us, may represent risk to elevated valuations within technology. As we have outlined in our monthlies, we have been relatively cautiously positioned in areas such as software, a subsector we have long favoured, as we have found it increasingly difficult to justify valuations. According to a report from Morgan Stanley, the five most expensive software stocks recently traded at an EV/next twelve month revenue multiple of 34.6x as compared to the 2019 peak of 28.4x and five-year average of 14.8x. We have also recently expressed some discomfort with the growing sense of inevitability about the primacy of technology and the reordering of everything (which is where the 1990s parallel feels most uncomfortable) as well as the elevation, and valuation of a narrow list of stocks that perfectly capture the zeitgeist of today's disruption look every bit as nifty as their 1960s predecessors. Likewise, the IPO market has enjoyed its best year since 2014 (raising $67bn in 2020) while SPACs (Special Purpose Acquisition Companies) – companies with no commercial operations designed to raise capital from investors in order to acquire operating companies – raised an additional (and eye-watering) $64bn.

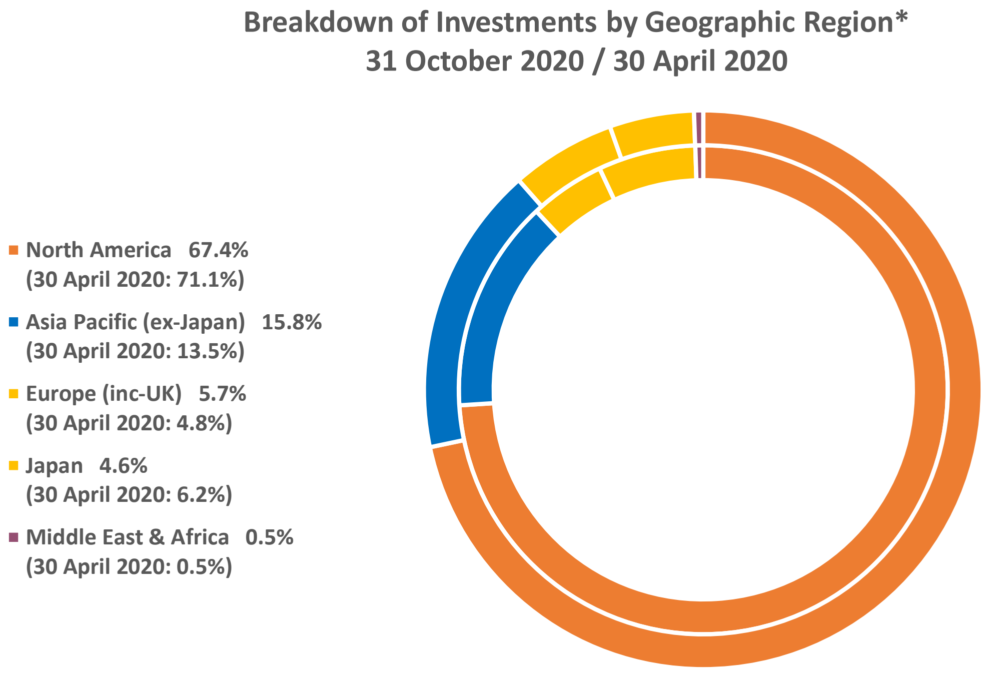
Greater regulatory scrutiny and/or higher taxation could also detract from the technology story over the coming year despite our earlier hope that the munificence of 'big tech' during the pandemic might mitigate this risk. Instead, the fact that the technology sector has been able to keep the global economy working effectively during a pandemic (and made lockdown far more bearable) has shone a light on the enormous power of the largest technology companies. Thankfully, efforts to rein in the largest US technology companies have been mostly shadow boxing to date with Congressional hearings, EU antitrust investigations and House subcommittee findings delivering little more than adverse headlines and occasional fines. Even the widely awaited Department of Justice (DoJ) pursuit of *bete noire* Alphabet failed to live up to earlier fears, its antitrust lawsuit presented in October having a narrow focus (on app pre-installs and default search distribution deals) rather than on broad issues around search result prioritisation or anything that could result in a company breakup or meaningful change in business model. However, President Trump's plan to ban or force the sale of TikTok – a Chinese-owned app used by 165m Americans and more than 2bn people globally – was a salient reminder of the primacy of politics. So too were "last minute" changes to Chinese regulations in late October which halted (if not derailed) the Ant Group IPO . Without knowing what prompted this sudden intervention, we reduced our exposure to Chinese Internet stocks as this unexpected regulatory overhang seems unlikely to dissipate for now.

While these potential headwinds, together with light at the end of the COVID tunnel may continue to drive rotation towards reopening beneficiaries, **we do not believe that technology outperformance has to end with the pandemic diminishing.** COVID has clearly accelerated a number of key technology trends, but the redistribution of profit pools across myriad industries began long before the pandemic. Companies have been forced to adapt their business models to a digital-first world. A recent McKinsey survey revealed that the pandemic has seen 85% of executives somewhat or greatly accelerated their implementation of technologies that enable employee interaction and collaboration, and two-thirds accelerate automation and artificial intelligence. More importantly, the COVID-19 hiatus has provided a rare opportunity for management teams to re-evaluate the role of technology across their operations such that technology adoption will become the next driver of differentiation between companies within traditionally non-tech industries. As Satya Nadella recently noted on a Microsoft earnings call, "in a world of uncertainty and constraints, every person and every organization need more digital technology to recover and reimagine what comes next.".

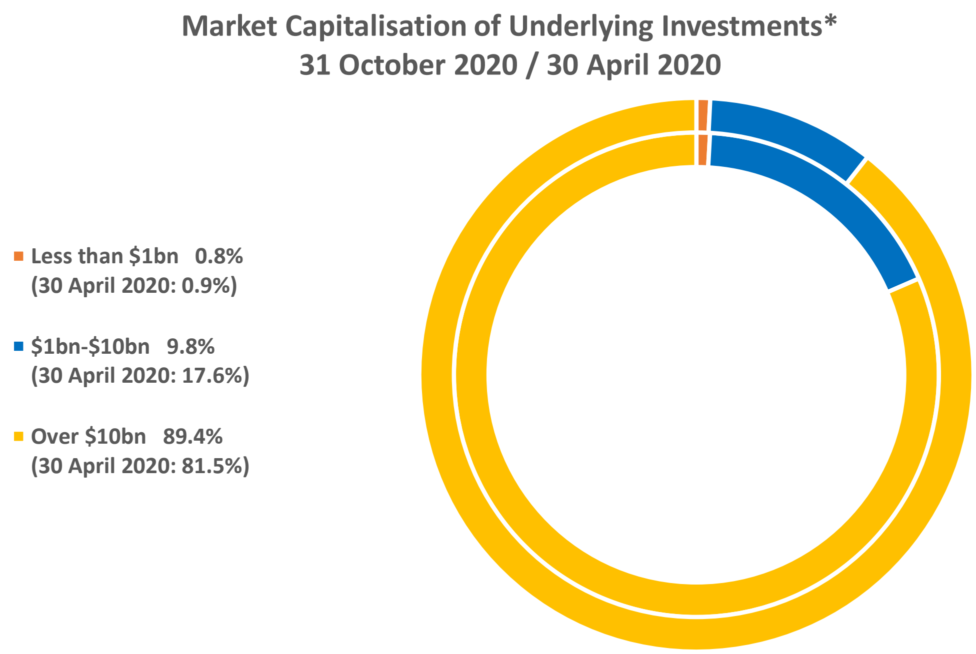
The pandemic has also exposed any limitations associated with legacy, on-premise systems, while the accelerated adoption of next-generation technologies appear to have shortened their timeline to reinvent themselves. Weakness at Oracle was evident in Q2 when Cloud and on-premise licence growth declined 21% y/y in constant currency. SAP surprised investors in October when it slashed both annual and medium-term guidance, ostensibly due to a muted demand recovery and the reimposition of lockdowns in Europe, although Salesforce CEO Mark Benioff was quick to label SAP's troubles as "unique to them". Intel's own travails are well documented and despite delivering a better than feared FQ1, Cisco enterprise order activity has fallen to levels last seen a decade ago. As such, we remain hopeful that the current rotation within the technology sector in favour of value following positive vaccine news is likely to prove another tremor rather than a seismic shift in investment style. As such, we have retained our bias towards our eight core secular themes while tilting towards those with the potential to also benefit from cyclical tailwinds. We have already begun to cautiously add a number of new stocks in areas such as online travel, electric vehicle /automotive, industrial automation and 5G in order to better position the portfolio for a recovery phase. We remain constructive on the outlook for the technology sector and for the Trust as the world begins to (hopefully) emerge from this challenging period.

Ben Rogoff & Team
10 December 2020

PORTFOLIO BREAKDOWN



* % of Net Assets, excluding other net assets



* % of invested assets

Outer circles represent data as at 31 October 2020, inner circles data as at 30 April 2020

CLASSIFICATION OF INVESTMENTS* AS AT 31 OCTOBER 2020

	North America %	Europe %	Asia Pacific (inc. Middle East) %	Total 31 October 2020 %	Total 30 April 2020 %
Software	22.1	-	0.4	**22.5**	24.9
Interactive Media & Services	13.8	-	3.8	**17.6**	16.2
Semiconductors & Semiconductor Equipment	8.5	2.8	5.8	**17.1**	17.9
Technology Hardware, Storage & Peripherals	9.3	0.1	3.0	**12.4**	10.1
Internet & Direct Marketing Retail	3.2	1.3	4.0	**8.5**	8.9
Entertainment	3.1	0.8	0.3	**4.2**	3.6
IT Services	3.4	-	0.1	**3.5**	4.6
Electronic Equipment, Instruments & Components	1.3	-	1.1	**2.4**	4.9
Machinery	-	-	1.5	**1.5**	1.4
Leisure Products	0.6	-	0.6	**1.2**	0.3
Automobiles	0.5	-	0.3	**0.8**	-
Aerospace & Defense	0.9	-	-	**0.9**	0.6
Communications Equipment	-	0.6	-	**0.6**	1.9
Diversified Consumer Services	0.5	-	-	**0.5**	-
Healthcare Equipment & Supplies	0.2	-	-	**0.2**	0.3
Electrical Equipment	-	0.1	-	**0.1**	0.2
Diversified Telecommunication Services	-	-	-	**-**	0.3
Total investments (£2,837,408,000)	**67.4**	**5.7**	**20.9**	**94.0**	96.1
Other net assets (excluding loans)	6.1	-	1.7	7.8	6.4
Loans	(0.9)	-	(0.9)	(1.8)	(2.5)
Grand total (net assets of £3,017,730,000)	**72.6**	**5.7**	**21.7**	**100.0**	**-**
At 30 April 2020 (net assets of £2,308,597,000)	73.7	5.9	20.4	**-**	100.0

*Classifications derived from Benchmark Index as far as possible.
The categorisation of each investment is shown in the portfolio available on the Company's website. Not all sectors of the Benchmark are shown, only those in which the Company has an investment at the period end or in the comparative period.

PORTFOLIO OF INVESTMENTS

Ranking					Value of holding £'000		% of net assets	
31 Oct 2020	30 Apr 2020	Stock	Sector	Region*	31 October 2020	30 April 2020	31 October 2020	30 April 2020
1	(3)	Apple	Technology Hardware, Storage & Peripherals	North America	279,678	168,615	9.3	7.3
2	(1)	Microsoft	Software	North America	247,533	236,529	8.2	10.2
3	(2)	Alphabet	Interactive Media & Services	North America	191,238	181,039	6.3	7.8
4	(4)	Facebook	Interactive Media & Services	North America	150,374	95,587	5.0	4.1
5	(5)	Alibaba	Internet & Direct Marketing Retail	Asia Pacific	119,575	87,073	4.0	3.8
6	(6)	Tencent	Interactive Media & Services	Asia Pacific	114,565	74,327	3.8	3.2
7	(8)	Samsung Electronics	Technology Hardware, Storage & Peripherals	Asia Pacific	85,906	62,654	2.8	2.7
8	(7)	Amazon.com	Internet & Direct Marketing Retail	North America	79,792	71,522	2.6	3.1
9	(11)	Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Asia Pacific	79,033	43,321	2.6	1.9
10	(17)	Adobe	Software	North America	66,830	30,095	2.3	1.3
Top 10 investments					**1,414,524**		**46.9**	
11	(10)	Nvidia	Semiconductors & Semiconductor Equipment	North America	61,640	49,804	2.0	2.2
12	(9)	Advanced Micro Devices	Semiconductors & Semiconductor Equipment	North America	55,443	50,291	1.8	2.2
13	(12)	Salesforce.com	Software	North America	50,338	42,538	1.7	1.8
14	(24)	NetFlix	Entertainment	North America	42,909	20,307	1.4	0.9
15	(25)	Qualcomm	Semiconductors & Semiconductor Equipment	North America	39,240	19,374	1.3	0.8
16	(15)	ServiceNow	Software	North America	38,307	32,541	1.3	1.4
17	(16)	PayPal	IT Services	North America	37,695	31,514	1.3	1.4
18	(19)	MediaTek	Semiconductors & Semiconductor Equipment	Asia Pacific	37,480	22,416	1.2	1.0
19	(22)	Activision Blizzard	Entertainment	North America	34,482	21,302	1.1	0.9
20	(39)	Xilinx	Semiconductors & Semiconductor Equipment	North America	32,078	14,576	1.1	0.6
Top 20 investments					**1,844,136**		**61.1**	
21	(-)	Zoom Video Communications	Software	North America	31,463	-	1.0	-
22	(66)	Twilio	IT Services	North America	30,917	8,488	1.0	0.4
23	(-)	STMicroelectronics	Semiconductors & Semiconductor Equipment	Europe	30,436	-	1.0	-
24	(14)	ASML	Semiconductors & Semiconductor Equipment	Europe	29,794	34,081	1.0	1.5
25	(29)	Zendesk	Software	North America	28,278	18,759	0.9	0.8
26	(41)	Axon Enterprise	Aerospace & Defense	North America	26,040	13,883	0.9	0.6
27	(18)	Toyko Electron	Semiconductors & Semiconductor Equipment	Asia Pacific	22,943	24,102	0.8	1.0
28	(35)	HubSpot	Software	North America	21,791	16,058	0.8	0.7
29	(59)	Pinterest	Interactive Media & Services	North America	21,261	9,908	0.7	0.4
30	(34)	Advantest	Semiconductors & Semiconductor Equipment	Asia Pacific	21,217	16,273	0.7	0.7
Top 30 investments					**2,108,276**		**69.9**	

31	(-)	Match Group	Interactive Media & Services	North America	21,035	-	0.7	-
32	(43)	Spotify Technology	Entertainment	Europe	20,564	13,506	0.7	0.6
33	(-)	Ericsson	Communications Equipment	Europe	20,292	-	0.6	-
34	(-)	Infineon Technologies	Semiconductors & Semiconductor Equipment	Europe	18,840	-	0.6	-
35	(82)	Peloton Interactive	Leisure Products	North America	18,830	6,351	0.6	0.3
36	(-)	Snap	Interactive Media & Services	North America	18,668	-	0.6	-
37	(37)	Grubhub	Internet & Direct Marketing Retail	North America	18,551	15,149	0.6	0.7
38	(-)	Shimano	Leisure Products	Asia Pacific	18,211	-	0.6	-
39	(40)	Take-Two Interactive Software	Entertainment	North America	17,532	14,117	0.6	0.6
40	(52)	Fanuc	Machinery	Asia Pacific	17,059	11,074	0.6	0.5
Top 40 investments					**2,297,858**		**76.1**	
41	(36)	Everbridge	Software	North America	16,869	15,333	0.6	0.7
42	(47)	Ocado	Internet & Direct Marketing Retail	Europe	16,864	11,966	0.6	0.5
43	(30)	CrowdStrike	Software	North America	16,822	17,895	0.6	0.8
44	(-)	Teradyne	Semiconductors & Semiconductor Equipment	North America	16,780	-	0.5	-
45	(-)	Chegg	Diversified Consumer Services	North America	16,127	-	0.5	-
46	(71)	Cadence Design Systems	Software	North America	15,528	7,476	0.5	0.3
47	(-)	Tesla	Automobiles	North America	15,388	-	0.5	-
48	(57)	Harmonic Drive Systems	Machinery	Asia Pacific	14,996	10,579	0.5	0.4
49	(33)	Cloudflare	Software	North America	14,685	16,807	0.5	0.7
50	(-)	LivePerson	Software	North America	14,606	-	0.5	-
Top 50 investments					**2,456,523**		**81.4**	
51	(67)	Medallia	Software	North America	14,500	8,411	0.5	0.4
52	(-)	Dolby Laboratories	Electronic Equipment, Instruments & Components	North America	13,999	-	0.5	-
53	(62)	SolarEdge Technologies	Semiconductors & Semiconductor Equipment	Asia Pacific	13,603	9,252	0.5	0.4
54	(80)	Zalando	Internet & Direct Marketing Retail	Europe	13,516	6,410	0.5	0.3
55	(91)	BlackLine	Software	North America	13,478	4,120	0.4	0.2
56	(-)	Shopify	IT Services	North America	13,071	-	0.4	-
57	(26)	Splunk	Software	North America	12,812	19,124	0.4	0.8
58	(65)	Ansys	Software	North America	12,316	8,621	0.4	0.4
59	(-)	TripAdvisor	Interactive Media & Services	North America	12,034	-	0.4	-
60	(-)	Avalara	Software	North America	11,978	-	0.4	-
Top 60 investments					**2,587,830**		**85.8**	
61	(58)	Fuji Machine Manufacturing	Machinery	Asia Pacific	11,863	10,314	0.4	0.4
62	(60)	Keyence	Electronic Equipment, Instruments & Components	Asia Pacific	11,356	9,291	0.4	0.4
63	(42)	Lattice Semiconductor	Semiconductors & Semiconductor Equipment	North America	11,230	13,638	0.4	0.6
64	(88)	Atlassian	Software	Asia Pacific	11,204	4,611	0.4	0.2
65	(20)	Cognex	Electronic Equipment, Instruments & Components	North America	11,189	21,884	0.4	1.0
66	(28)	Mastercard	IT Services	North America	11,105	18,893	0.4	0.8

67	(23)	Visa	IT Services	North America	10,972	21,042	0.3	0.9
68	(-)	BYD	Automobiles	Asia Pacific	10,866	-	0.3	-
69	(53)	Keysight Technologies	Electronic Equipment, Instruments & Components	North America	10,293	11,013	0.3	0.5
70	(83)	Ping Identity	Software	North America	10,128	6,084	0.3	0.3
Top 70 investments					**2,698,036**		**89.4**	
71	(50)	TDK	Electronic Equipment, Instruments & Components	Asia Pacific	9,639	11,414	0.3	0.5
72	(54)	Power Integrations	Semiconductors & Semiconductor Equipment	North America	9,630	10,985	0.3	0.5
73	(-)	MaxLinear	Semiconductors & Semiconductor Equipment	North America	9,478	-	0.3	-
74	(-)	Kulicke & Soffa	Semiconductors & Semiconductor Equipment	North America	9,400	-	0.3	-
75	(-)	2U	Software	North America	8,626	-	0.3	-
76	(74)	Samsung Electro-Mechanics	Electronic Equipment, Instruments & Components	Asia Pacific	8,600	6,949	0.3	0.3
77	(44)	Nintendo	Entertainment	Asia Pacific	8,212	12,856	0.3	0.6
78	(-)	Cerence	Software	North America	7,750	-	0.3	-
79	(-)	Cree	Semiconductors & Semiconductor Equipment	North America	7,672	-	0.3	-
80	(68)	Dexcom	Healthcare Equipment & Supplies	North America	7,238	7,812	0.2	0.3
Top 80 investments					**2,784,281**		**92.3**	
81	(76)	Veeco Instruments	Semiconductors & Semiconductor Equipment	North America	5,856	6,565	0.2	0.3
82	(69)	Aixtron	Semiconductors & Semiconductor Equipment	Europe	5,448	7,747	0.2	0.3
83	(-)	Delivery Hero	Internet & Direct Marketing Retail	Europe	5,271	-	0.2	-
84	(-)	HTC	Technology Hardware, Storage & Peripherals	Asia Pacific	4,949	-	0.2	-
85	(-)	Ceres Power	Electrical Equipment	Europe	4,242	-	0.1	-
86	(-)	CD Projekt	Entertainment	Europe	4,093	-	0.1	-
87	(96)	Tobii	Technology Hardware, Storage & Peripherals	Europe	3,781	1,899	0.1	0.1
88	(95)	Zuken	IT Services	Asia Pacific	3,521	2,746	0.1	0.1
89	(-)	ANGI Homeservices	Interactive Media & Services	North America	3,065	-	0.1	-
90	(-)	Coupa Software	Software	North America	2,782	-	0.1	-
Top 90 investments					**2,827,289**		**93.7**	
91	(45)	FLIR Systems	Electronic Equipment, Instruments & Components	North America	2,729	12,743	0.1	0.6
92	(100)	Seeing Machines	Electronic Equipment, Instruments & Components	Asia Pacific	2,364	1,144	0.1	-
93	(-)	Tenable	Software	North America	2,270	-	0.1	-
94	(-)	Bentley Systems	Software	North America	1,034	-	-	-
95	(97)	Mix Telematics	Software	Asia Pacific	995	1,846	-	0.1
96	(89)	Square	IT Services	North America	727	4,512	-	0.2
		Total equities			2,837,408		94.0	
		Other net assets			180,322		6.0	
		Total net assets			3,017,730		100.0	

*Notes: Asia Pacific includes Middle East.

CORPORATE MATTERS FOR THE SIX MONTHS TO 30 OCTOBER 2020

GENERAL UPDATE

The Annual General Meeting ("AGM") of the Company was held on 2 September 2020, due to the UK Government restrictions in place in connection with the COVID-19 pandemic, it was a fully virtual event. The Board were pleased to note the passing of the resolution at the AGM to continue the Company in operation in its current form. The next continuation vote of the Company, in accordance with the Articles of Association, will be proposed at the AGM to be held in 2025. A recording of the Fund Manager's presentation is available on the website.

The impact of COVID-19 continues to be felt across the globe; we continue to monitor the effects of market changes on the Company and the portfolio which, to date, have been minimal. Service providers continue to work in a predominantly remote fashion; the Company has however not experienced breaks in or failures in service.

THE BOARD

Following the retirement of Peter Hames on 8 July 2020, Tim Cruttenden succeeded Mr Hames as the Company's Senior Independent Director and Chairman of the Remuneration Committee. There have been no other changes to the membership of the Board in the six months ended 31 October 2020. The Board have however continued their discussions in relation to the next stages of Board succession, including the succession of the Chair who is intending to retire at the Company's Annual General Meeting in 2022, in the absence of any unforeseen reason not so to do. Further details will be reported in the next Annual Report of the Company.

AUDITORS

KPMG LLP were re-appointed as the Company's external auditor at the AGM held on 2 September 2020.

GEARING

As at 31 October 2020, the Company had two, two-year fixed rate, term loans with ING Bank N.V expiring in September 2022 (JPY 3.8bn and USD 36m). The JPY loan has been fixed at an all-in rate of 0.90% pa and the USD loan has been fixed at an all-in rate of 1.335% pa. The prior loans were repaid in full at expiry.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider that the principal risks and uncertainties faced by the Company for the remaining six months of the financial year, which could have a material impact on performance, remain consistent with those outlined in the Annual Report for the year ended 30 April 2020.

We continue to consider the risks arising from the uncertainties around COVID-19 and Brexit which have been captured within the Risk Map. The Company's performance has remained robust and thus far COVID-19 has not led to a material deterioration. The vast majority of our assets are not denominated in Sterling and therefore sharp currency movements in either direction against Sterling will have an impact on the NAV. This is consistent with our risk profile as stated within the last Annual Report.

The Company has a risk management framework that provides a structured process for identifying, assessing and managing the risks associated with the Company's business. The investment portfolio is diversified by geography which mitigates risk but is focused on the technology sector and has a high proportion of non-Sterling investments.

RELATED PARTY TRANSACTIONS

In accordance with DTR 4.2.8R there have been no new related party transactions during the six-month period to 31 October 2020 and therefore nothing to report on any material effect by such transactions on the financial position or performance of the Company during that period.

There have therefore been no changes in any related party transaction described in the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year or to the date of this report.

GOING CONCERN

The Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements. In reaching this conclusion, the Board considered the Company's performance, financial position and its assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern. The review also included consideration of the level of readily realisable investments and current cash and debt ratios of the Company and the ability to repay the outstanding bank facilities. In conjunction, the stress testing conducted at the year-end, which was revised at the period end, featured consideration of the effects of COVID-19.

The assets of the Company comprise mainly of securities that are readily realisable and accordingly, the Company has adequate financial resources to meet its liabilities as and when they fall due and to continue in operational existence for the foreseeable future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Polar Capital Technology Trust plc, which are listed in the Directors and Contacts Section, confirm to the best of their knowledge:

• The condensed set of financial statements has been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the European Union;

• The Interim Management Report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Half Year Report for the six-month period to 31 October 2020 has not been audited or reviewed by the Auditors. The Half Year Report for the six-month period to 31 October 2020 was approved by the Board on 10 December 2020.

On behalf of the Board
Sarah Bates
Chair

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 OCTOBER 2020

		(Unaudited)						(Audited)		
		Six months ended 31 October 2020			Six months ended 31 October 2019			Year ended 30 April 2020		
	Note	**Revenue Return £'000**	**Capital Return £'000**	**Total Return £'000**	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
Investment income	2	**7,838**	**-**	**7,838**	8,475	-	8,475	15,761	-	15,761
Other operating income	2	**5**	**-**	**5**	776	-	776	1,125	-	1,125
Gains on investments held at fair value	3	**-**	**690,709**	**690,709**	-	43,751	43,751	-	348,118	348,118
Net (losses)/gains on derivatives	4	**-**	**(22,952)**	**(22,952)**	-	(6,556)	(6,556)	-	13,214	13,214
Other currency gains	5		**4,133**	**4,133**	-	2,710	2,710	-	5,251	5,251
Total income		**7,843**	**671,890**	**679,733**	9,251	39,905	49,156	16,886	366,583	383,469
Expenses										
Investment management fee	6	**(11,009)**	**-**	**(11,009)**	(9,009)	-	(9,009)	(18,273)	-	(18,273)
Performance fee	6	**-**	**(10,969)**	**(10,969)**	-	-	-	-	(1,050)	(1,050)
Other administrative expenses	7	**(509)**	**-**	**(509)**	(464)	-	(464)	(951)	-	(951)
Total expenses		**(11,518)**	**(10,969)**	**(22,487)**	(9,473)	-	(9,473)	(19,224)	(1,050)	(20,274)
(Loss)/profit before finance costs and tax		**(3,675)**	**660,921**	**657,246**	(222)	39,905	39,683	(2,338)	365,533	363,195
Finance costs		**(675)**	**-**	**(675)**	(648)	-	(648)	(1,260)	-	(1,260)
(Loss)/profit before tax		**(4,350)**	**660,921**	**656,571**	(870)	39,905	39,035	(3,598)	365,533	361,935
Tax		**(968)**	**-**	**(968)**	(823)	-	(823)	(1,833)	-	(1,833)
Net (loss)/profit for the period and total comprehensive (expense)/income		**(5,318)**	**660,921**	**655,603**	(1,693)	39,905	38,212	(5,431)	365,533	360,102
(Losses)/earnings per ordinary share (basic) (pence)	9	**(3.89)**	**483.14**	**479.25**	(1.27)	29.82	28.55	(4.06)	273.12	269.06

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

The Company does not have any other comprehensive income.

BALANCE SHEET AS AT 31 OCTOBER 2020

	Note	**(Unaudited) 31 October 2020 £'000**	(Unaudited) 31 October 2019 £'000	(Audited) 30 April 2020 £'000
Non-current assets				
Investments held at fair value through profit or loss		**2,837,408**	1,858,077	2,218,307
Current assets				
Derivative financial instruments		**8,738**	925	3,391
Receivables		**21,417**	24,191	47,186
Overseas tax recoverable		**125**	374	94
Cash and cash equivalents	8	**251,870**	163,462	146,677
		282,150	188,952	197,348
Total assets		**3,119,558**	2,047,029	2,415,655
Current liabilities				
Payables		**(45,873)**	(14,759)	(50,034)
Bank loans*		**-**	(55,179)	(57,024)
Bank overdraft	8	**-**	(3,233)	-
		(45,873)	(73,171)	(107,058)
Non-current liabilities				
Bank loans*		**(55,955)**	-	-
Net assets		**3,017,730**	1,973,858	2,308,597
Equity attributable to equity shareholders				
Share capital	10	**34,329**	33,456	33,641
Capital redemption reserve		**12,802**	12,802	12,802
Share premium		**223,374**	157,868	170,532
Special non-distributable reserve		**7,536**	7,536	7,536
Capital reserves		**2,844,649**	1,858,100	2,183,728
Revenue reserve		**(104,960)**	(95,904)	(99,642)
Total equity		**3,017,730**	1,973,858	2,308,597
Net asset value per ordinary share (pence)	11	**2197.67**	1474.95	1715.59

*As detailed within the Corporate Matters Section – see paragraph on Gearing.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 OCTOBER 2020

		(Unaudited) Six months ended 31 October 2020						
	Note	**Share capital £'000**	**Capital redemption reserve £'000**	**Share premium £'000**	**Special non-distributable reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 30 April 2020		33,641	12,802	170,532	7,536	2,183,728	(99,642)	2,308,597
Total comprehensive income/(expense):								
Profit/(loss) for the period to 31 October 2020	9	-	-	-	-	660,921	(5,318)	655,603
Transactions with owners, recorded directly to equity:								
Issue of ordinary shares	10	688	-	52,842	-	-	-	53,530
Total equity at 31 October 2020		**34,329**	**12,802**	**223,374**	**7,536**	**2,844,649**	**(104,960)**	**3,017,730**

		(Unaudited) Six months ended 31 October 2019						
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special non-distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 30 April 2019		33,456	12,802	157,868	7,536	1,818,195	(94,211)	1,935,646
Total comprehensive income/(expense):								
Profit/(loss) for the period to 31 October 2019	9	-	-	-	-	39,905	(1,693)	38,212
Total equity at 31 October 2019		33,456	12,802	157,868	7,536	1,858,100	(95,904)	1,973,858

		(Audited) Year ended 30 April 2020						
		Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special non-distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 30 April 2019		33,456	12,802	157,868	7,536	1,818,195	(94,211)	1,935,646
Total comprehensive income/(expense):								
Profit/(loss) for the year to 30 April 2020	9	-	-	-	-	365,533	(5,431)	360,102
Transactions with owners, recorded directly to equity:								
Issue of ordinary shares	10	185	-	12,664	-	-	-	12,849
Total equity at 30 April 2020		33,641	12,802	170,532	7,536	2,183,728	(99,642)	2,308,597

Note – Share capital, Capital redemption reserve, Share premium and Special non-distributable reserve are all non-distributable. Capital reserves and revenue reserve are distributable.

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2020

	Note	(Unaudited) Six months ended 31 October 2020 £'000	(Unaudited) Six months ended 31 October 2019 £'000	(Audited) Year ended 30 April 2020 £'000
Cash flows from operating activities				
Profit before tax		**656,571**	39,035	361,935
Adjustment:				
Gains on investments held at fair value through profit or loss	3	**(690,709)**	(43,751)	(348,118)
Losses/(gains) on derivative financial instruments	4	**22,952**	6,556	(13,214)
Proceeds of disposal on investments		**1,295,377**	725,483	1,803,352
Purchases of investments		**(1,216,096)**	(743,883)	(1,862,499)
Proceeds on disposal of derivative financial instruments		**-**	-	66,075
Purchases of derivative financial instruments		**(28,299)**	(7,331)	(56,102)
Decrease/(increase) in receivables		**442**	176	(241)
Increase/(decrease) in payables		**9,945**	(10,573)	(9,444)
Overseas tax		**(999)**	(1,128)	(1,858)
Foreign exchange gains	5	**(4,133)**	(2,710)	(5,251)
Net generated from/(used in) operating activities		**45,051**	(38,126)	(65,365)
Cash flows from financing activities				
Loans repaid		**(56,364)**	-	-
Loans drawn		**55,935**	-	-
Issue of ordinary shares	10	**57,078**	-	9,301
Net cash generated from financing activities		**56,649**	-	9,301
Net increase/(decrease) in cash and cash equivalents		**101,700**	(38,126)	(56,064)
Cash and cash equivalents at the beginning of the period		**146,677**	194,153	194,153
Effect of movement in foreign exchange rates on cash held	5	**3,493**	4,202	8,588
Cash and cash equivalents at the end of the period	8	**251,870**	160,229	146,677

Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:				
Cash at bank	8	**159,871**	103,417	109,715
BlackRock's Institutional Cash Series plc (US Treasury Fund), money market fund	8	**91,999**	56,812	36,962
Cash and cash equivalents at the end of the period	8	**251,870**	160,229	146,677

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2020

1. GENERAL INFORMATION

The financial statements comprise the unaudited results for Polar Capital Technology Trust Plc for the six-month period to 31 October 2020.

The unaudited financial statements to 31 October 2020 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies set out in the statutory annual financial statements of the Company for the year ended 30 April 2020. These accounting policies are based on International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Accounting Standards Committee ("IASC"), as adopted by the European Union.

Where presentational guidance set out in the Statement of Recommend Practice ("the SORP") for investment trusts issued by the Association of Investment Companies in October 2019 is consistent with the requirements of International Financial Reporting Standards, the accounts have been prepared on a basis compliant with the recommendations of the SORP.

The financial information in this Half Year Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six-month periods ended 31 October 2020 and 31 October 2019 has not been audited. The figures and financial information for the year ended 30 April 2020 are an extract from the latest published financial statements and do not constitute statutory accounts for that year. Full statutory accounts for the year ended 30 April 2020, prepared under IFRS, including the report of the auditors which was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The accounting policies have not varied from those described in the Annual Report for the year ended 30 April 2020.

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements. The Board continually monitors the financial position of the Company and in connection with the risks presented by COVID-19. The assets of the Company comprise mainly of securities that are readily realisable and accordingly, the Company has adequate financial resources to meet its liabilities as and when they fall due and to continue in operational existence for the foreseeable future. See Corporate Matters section above for further details.

The following new IFRS became effective for annual periods beginning on or after 1 January 2020. The adoption of these standards and interpretations have not had a material impact on the financial statement of the Company:

IFRS 3 Business Combinations (amended)
The IASB has made narrow-scope amendments to improve the definition of a business in order to help companies determine whether an acquisition made is of a business or a group of assets. These amendments are not expected to have any impact on the Financial Statements.

IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (amended)
The IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. These amendments are not expected to have any impact on the Financial Statements.

IAS 1 and IAS 8 Definition of Material (amended)
The definition of material has been amended to state that "information is material if omitting, misstating or

obscuring it could reasonably be expected to influence decisions that the primary users of general purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity." This new definition is not expected to change how materiality judgements are currently made by the Company nor have any impact to the material information inclusive in the Half Year Report.

References to the Conceptual Framework in IFRS Standards (amended)
The Amendments to References to the Conceptual Framework in IFRS Standards was issued to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. This amendment is not expected to have any impact to the Financial Statements.

IAS 28 (amended) Investments in Associates and Joint Ventures
As the Company has no investment in associates or joint ventures, the amendment to this standard are not expected to have any impact on the financial statements.

At the date of authorisation of the Company's financial statements, the following new IFRSs that potentially impact the Company are in issue but are not yet effective and have not been applied in these accounts:

Effective for periods commencing on or after 1 January 2021:

IFRS 9, IAS 39, IFRS 7, IFRS 16 and IFRS 4: Interest Rate Benchmark Reform – phase 2 (amended).

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand pounds (£'000), except where otherwise stated.

The majority of the Company's investments are in US Dollars, the level of which varies from time to time. The Board considers the functional currency to be Sterling. In arriving at this conclusion, the Board considered that Sterling is the most relevant to the majority of the Company's shareholders and creditors and the currency in which the majority of the Company's operating expense are paid.

2. INCOME

	(Unaudited) For the six months ended 31 October 2020 £'000	(Unaudited) For the six months ended 31 October 2019 £'000	(Audited) For the Year ended 30 April 2020 £'000
Income from investments held at fair value through profit or loss			
Franked dividend	**-**	15	21
Unfranked dividends	**7,838**	8,460	15,740
	7,838	8,475	15,761
Other operating income			
Bank interest	**-**	686	772
Money market fund interest	**5**	90	353
	5	776	1,125
Total income	**7,843**	9,251	16,886

3. GAINS ON INVESTMENT HELD AT FAIR VALUE

	(Unaudited) For the six months ended 31 October 2020 £'000	(Unaudited) For the six months ended 31 October 2019 £'000	(Audited) For the Year ended 30 April 2020 £'000
Net gains on disposal of investments at historic cost	**302,885**	141,028	292,086
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	**(140,709)**	(149,309)	(258,368)
Gains/(losses) based on disposal of investments carrying value at previous balance sheet date	**162,176**	(8,281)	33,718
Valuation gains on investments held during the period	**528,533**	52,032	314,400
	690,709	43,751	348,118

4. (LOSSES)/GAINS ON DERIVATIVES

	(Unaudited) For the six months ended 31 October 2020 £'000	(Unaudited) For the six months ended 31 October 2019 £'000	(Audited) For the Year ended 30 April 2020 £'000
(Losses)/gains on disposal of derivatives held	**(36,334)**	(4,236)	28,339
Gains/(losses) on revaluation of derivatives held	**13,382**	(2,320)	(15,125)
	(22,952)	(6,556)	13,214

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. As at 31 October 2020, the Company held NASDAQ 100 Stock Index put options, and the market value of the open put option position was £8,738,000 (31 October 2019: NASDAQ 100 Stock Index put options with a market value of £ 925,000. On the 30 April 2020: NASDAQ 100 Stock Index put options with a market value of £2,668,000). As at 31 October 2020, the Company did not hold any open call options (31 October 2019: No call options were held. On the 30 April 2020: Intel Corporation call options with a market value of £723,000).

5. OTHER CURRENCY GAINS

	(Unaudited) For the six months ended 31 October 2020 £'000	(Unaudited) For the six months ended 31 October 2019 £'000	(Audited) For the Year ended 30 April 2020 £'000
Exchange gains on currency balances	**3,493**	4,202	8,588
Exchange losses on settlement of loan balances	**(3,517)**	-	-
Exchange gains/(losses) on translation of loan balances	**4,157**	(1,492)	(3,337)
	4,133	2,710	5,251

6. INVESTMENT MANAGEMENT AND PERFORMANCE FEES

INVESTMENT MANAGEMENT FEE
The investment management fee, which is paid by the Company quarterly in arrears to the Investment Manager, is calculated on the Net Asset Value ("NAV") on a per share basis as follows:

- Tier 1: 1 per cent. for such of the NAV that exceeds £0 but is less than or equal to £800 million;
- Tier 2: 0.85 per cent. for such of the NAV that exceeds £800 million but is less than or equal to £1.6 billion;
- Tier 3: 0.80 per cent. for such of the NAV that exceeds £1.6 billion but is less than or equal to £2 billion; and
- Tier 4: 0.70 per cent. for such of the NAV that exceeds £2 billion.

Any investments in funds managed by Polar Capital are excluded from the investment management fee calculation.

PERFORMANCE FEE
The Investment Manager is entitled to a performance fee based on the level of outperformance of the Company's net asset value per share over its benchmark, the Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes) during the relevant performance period. A fuller explanation of the performance and management fee arrangements is given in the Annual Report.

At 31 October 2020, there was an accrued performance fee of £10,969,000 (31 October 2019: nil and 30 April 2020: £1,050,000). The quantum of any performance fee will be based on the audited net asset value at the year-end on 30 April 2021.

7. OTHER ADMINISTRATIVE EXPENSES

At 31 October 2020, the Company's other administrative expenses were £509,000 (31 October 2019: £464,000 and 30 April 2020: £951,000).

8. CASH AND CASH EQUIVALENTS

	(Unaudited) For the six months ended 31 October 2020 £'000	(Unaudited) For the six months ended 31 October 2019 £'000	(Audited) For the Year ended 30 April 2020 £'000
Cash at bank	**159,871**	106,650	109,715
Money market funds	**91,999**	56,812	36,962
Cash and cash equivalent	**251,870**	163,462	146,677
Bank overdraft	**-**	(3,233)	-
Total	**251,870**	160,229	146,677

As at 31 October 2020, the Company held BlackRock's Institutional Cash Series plc – US Treasury Fund with a market value of £91,999,000 (31 October 2019: £56,812,000 and 30 April 2020: £36,962,000), which is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

9. (LOSSES)/EARNINGS PER ORDINARY SHARE

	(Unaudited) For the six months ended 31 October 2020 £'000	(Unaudited) For the six months ended 31 October 2019 £'000	(Audited) For the Year ended 30 April 2020 £'000
Net (loss)/profit for the period:			
Revenue	**(5,318)**	(1,693)	(5,431)
Capital	**660,921**	39,905	365,533
Total	**655,603**	38,212	360,102
Weighted average number of shares in issue during the period	**136,796,098**	133,825,000	133,837,576
Revenue	**(3.89)p**	(1.27)p	(4.06)p
Capital	**483.14p**	29.82p	273.12p
Total	**479.25p**	28.55p	269.06p

10. SHARE CAPITAL

At 31 October 2020 there were 137,315,000 Ordinary Shares in issue (31 October 2019: 133,825,000 and 30 April 2020: 134,566,000). During the six months ended 31 October 2020, a total of 2,749,000 Ordinary Shares (31 October 2019: nil and 30 April 2020: 741,000 ordinary shares), nominal value £688,000 (31 October 2019: nil and 30 April 2020: £185,000) were issued to the market to satisfy demand, at an average price of 1,947.25p per share (31 October 2019: nil and 30 April 2020: 1,734.01p), for a total net consideration received of £53,530,000 (31 October 2019: nil and 30 April 2020: £12,849,000). During the same period the Company bought back no Ordinary Shares (31 October 2019 and 30 April 2020: nil).

11. NET ASSET VALUE PER ORDINARY SHARE

	(Unaudited) 31 October 2020 £'000	(Unaudited) 31 October 2019 £'000	(Audited) 30 April 2020 £'000
Undiluted:			
Net assets attributable to ordinary shareholders (£'000)	**3,017,730**	1,973,858	2,308,597
Ordinary shares in issue at end of period	**137,315,000**	133,825,000	134,566,000
Net asset value per ordinary share	**2197.67p**	1474.95p	1715.59p

12. DIVIDEND

No interim dividend has been declared for the period ended 31 October 2020 nor the period ended 31 October 2019 or 30 April 2020.

13. RELATED PARTY TRANSACTIONS

There have been no related party transactions that have materially affected the financial position or the performance of the Company during the six-month period to 31 October 2020.

14. POST BALANCE SHEET EVENTS

There are no significant events that have occurred after the end of the reporting period to the date of this report which require disclosure.

DIRECTORS AND CONTACTS

Directors (all independent Non-executive)
Sarah C Bates (Chair)
Tim Cruttenden (Senior Independent Director)
Charlotta Ginman (Audit Committee Chair)
Charles Park
Stephen White
Peter Hames (retired on 8 July 2020)

Investment Manager and AIFM
Polar Capital LLP
Authorised and regulated by the Financial Services Authority

Registered Office and address for contacting the Directors
16 Palace Street, London SW1E 5JD

Portfolio Manager
Ben Rogoff

Company Secretary
Polar Capital Secretarial Services Limited
represented by Tracey Lago, FCG

Corporate Broker
Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

Depositary, Bankers and Custodian
HSBC Bank Plc, 8 Canada Square, London E14 5HQ

Registered Number
Incorporated in England and Wales with company number 3224867 and registered as an investment company under section 833 of the Companies Act 2006

Forward Looking Statements
Certain statements included in this report and financial statements contain forward-looking information concerning the Company's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which the Company operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the principal risks and uncertainties included in the Strategic Report section on pages 43 to 45 of the Annual Report. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Technology Trust plc or any other entity and must not be relied upon in any way in connection with any investment decision. The Company undertakes no obligation to update any forward-looking statements.

Half Year Report
The Company has opted not to post half year reports to shareholders. Copies of the Half Year Report will be available from the Secretary at the Registered Office, 16 Palace Street, London SW1E 5JD and from the Company's website at www.polarcapitaltechnologytrust.co.uk

National Storage Mechanism
A copy of the Half Year Report has been submitted to the National Storage Mechanism ('NSM') https://data.fca.org.uk/#/nsm/nationalstoragemechanism

FINANCIAL CALENDAR

The key dates in the Company's financial year are as follows:

30 April	Financial year-end
Early July	Announcement of year-end results
Early September	Annual General Meeting
31 October	Half-year end
Mid December	Announcement of half-year results