

Fund Manager Comment

Market review

Equity markets added modestly to their year to date advance during March, the FTSE World Index rising 0.6% in Sterling (GBP) terms. These gains allowed the S&P 500 Index to not only make post 2003 highs (in Sterling terms), but also register its best quarterly performance since 2009 (+12%) and its strongest first quarter since 1998. Although US returns were strong (the S&P rising 3.1%) most other major markets actually fell during the month, excluding Japan where further Yen weakness provided additional support. Beyond Japan, Asian performance was notably soft as rumours of an impending capital gains tax reintroduction weighed heavily on Taiwanese stocks. The month got off to a positive start as the Greek debt 'swap' (default) passed without incident. US macroeconomic data also proved largely supportive with further improvement in employment (initial jobless claims falling below 350k for the first time since 2008) and strong consumer credit (largest three month expansion since October 2000) benefiting consumer confidence and retail sales, which came in well ahead of expectations.

However, US data was far from uniformly positive with a number of indicators (ISM, industrial production, construction spending) coming in below forecast while housing data failed to build on the improvement seen earlier during the year, existing home sales falling 0.9% during February. These disappointments were augmented by weak data in Europe where Eurozone and UK GDP contracted 0.3% during Q4, and in China where Premier Wen announced that growth would be targeted at 7.5% for 2012, the lowest target since 2004. Although markets closed the month just off their highs, news flow remained problematic as China's PMI fell to a four month low while the broad Eurozone PMI hit a three month low. While these economic disappointments no doubt contributed to weaker energy prices (oil falling 4%), ten-year US Treasury yields actually rose from 1.98% to 2.22% during the month as Fed Chairman Ben Bernanke dampened hopes of an additional round of quantitative easing (QE).

Technology review

Technology stocks continued to outpace the broader market during the month, the Dow Jones World Technology Index rising 3.7% in GBP terms. While the sector benefited from its disproportionate US exposure, there was nothing passive about the share price performance of Apple, the world's largest technology company following the introduction of a quarterly dividend and a \$10bn share repurchase programme. Apple's remarkable recent (+11% in March) and year to date performance (+44%) helped the tech-heavy NASDAQ Index register its highest level in more than a decade during March. Unfortunately, the world beyond Apple remains more mixed, evidenced by a revenue miss at Best Buy and a significant negative pre-announcement from Adtran which also made clear that a recovery in US service provider spending is unlikely to occur during 1H12. Weaker telecom capex trends, together with the bifurcation of fortunes among smartphone vendors (evidenced by another woeful quarter from BlackBerry maker, Research in Motion) weighed on a number of semiconductor companies such as Altera and Cavium Networks that lowered their guidance during the month. Fortunately enterprise demand and specifically news flow in the software sector remained more encouraging, with both Oracle and TIBCO posting solid off-quarter reports while next-generation software vendor Red Hat delivered an outstanding quarter (bookings increasing 31% y/y).

Outlook

At time of writing, equity markets appear in the midst of a mini-correction (major indices are down 4%+ from their recent highs) as a combination of factors (Spanish CDS spreads, weak non-farm payrolls, no imminent QE3) have weighed on investor sentiment that had become too complacent. Clearly the risk of a near-term setback had risen commensurate with the market advance, and given the recent conclusion to a strong first quarter and less favourable seasonal trends (May rapidly approaching) the current pullback may yet extend. However, despite the potential risk of greater near-term volatility, we remain constructive as we believe that the December LTRO significantly de-risked the investment backdrop despite the likelihood of further negative headlines/growth scares associated with austerity and sub-trend growth. Although more mixed of late, US data remains positively skewed while we remain hopeful that lowered growth expectations in China ultimately prove conservative. While a further round of QE does not appear to be imminent, we continue to believe that our interests remain remarkably well aligned with policymakers and as such the so-called 'Fed Put' likely does still exist, just not at current levels.

Regarding our sector, we remain confident in our 'new cycle thesis' that, having held up well during a difficult 2011, may be inflecting now that macro uncertainty has been ameliorated post the LTRO. This view is supported by unusually strong recent results from both Red Hat and Salesforce.com, as well as feedback from our recent company meetings. As such we continue to favour our core three themes: 'cloud computing', 'broadband applications' and 'mobile data', augmented by 'emerging market' growth with wage inflation in China providing an additional driver. With IT budgets forecast to grow at less than 5% this year, budget re-allocation will continue to come at the expense of incumbents and legacy technologies. On a more pernicious note, while the 'new cycle' has so far largely co-existed with the old (beyond smartphones and PCs), the next wave of adoption is likely to prove significantly more disruptive to legacy vendors as alternative technologies become more mainstream which might explain the weakness in Oracle's hardware business and Dell's recent M&A spree. While we have been disappointed by recent service provider spending trends, we are confident that the new iPad and pending iPhone 5 launch will force carriers to more substantially deploy 4G/LTE later this year. Even accounting for the 'Apple effect', we consider the c. 26% underperformance of small-caps vs. large-caps (as measured by the Russell 2000 and 1000 technology indices) since April 2011 as overdone. As such we have begun increasing our small-cap exposure in order to take advantage of this recent divergence of fundamentals and stock price performance.

Ben Rogoff, 10th April 2012

30 March 2012

Fact sheet

Trust Facts

Ordinary Shares	
Share Price (p)	396.50
NAV (undiluted) per Share (p)	409.26
Discount / Premium (%)	-3.12
Capital Structure	127,738,164 of 25p

Subscription Shares[†]

Share Price (p)	12.75
Exercise Price (p)	
- Until 31 March 2012	401.00
- From 1 April 2012 to 31 March 2014	478.00
Capital Structure	25,268,038 shares of 1p

Total Net Assets (£m)	523
AIC Gross Gearing Ratio (%) [*]	106.00
AIC Net Gearing Ratio (%) [*]	98.00

^{*}Gearing calculations are exclusive of current year Revenue/Loss

Trust Characteristics

Launch Date	16 December 1996
Lead Manager	Ben Rogoff
Year End	30 April
Results Announced	Mid June
Next AGM	September 2012
Continuation Vote	2015 AGM; every 5 years
Listed	London Stock Exchange

Benchmark

Dow Jones World Technology Index (Total Return)
(from 1 May 2006)

Fees^{*}

Management Fee	1.00%
Performance Fee ^{**}	15% over Benchmark
Total Expense Ratio (historic)	1.16%

^{*} Further details can be found in the Report & Accounts

^{**} Subject to high watermark and cap

Trust Overview

Objective

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

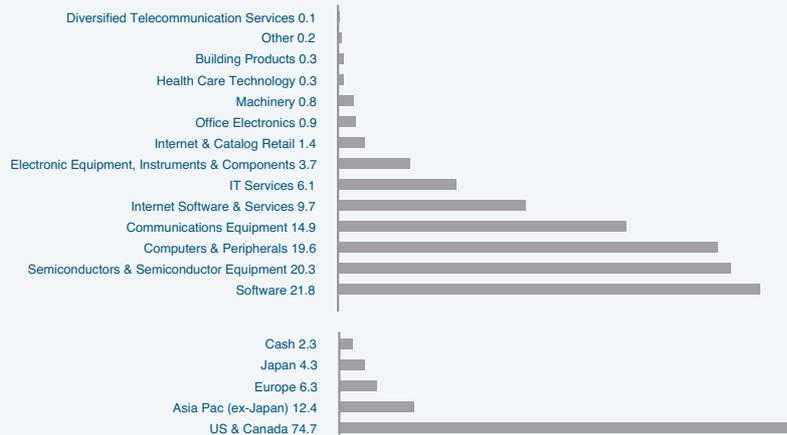
†For full details of the subscription shares and their exercise terms please refer to the prospectus of 18 January 2011 and the notes on the company's website.

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

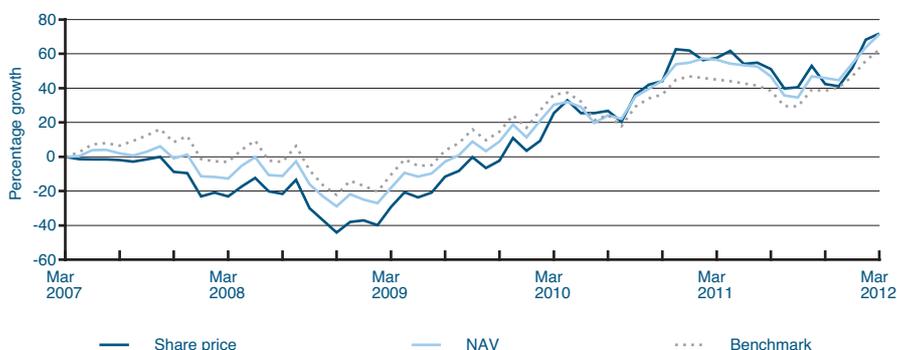
30 March 2012

Fact sheet

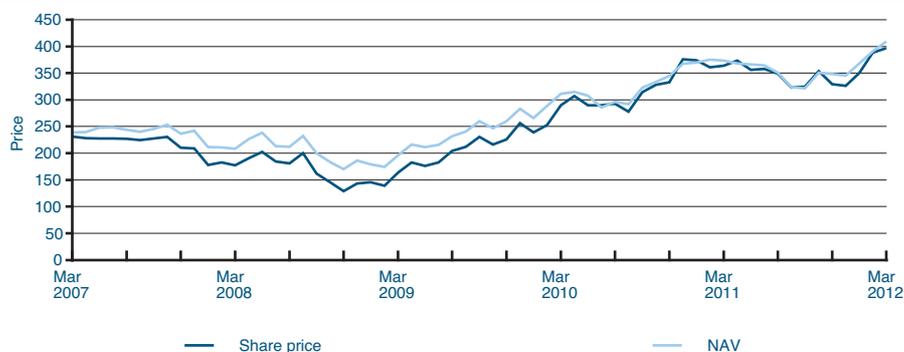
Sector & Geographic Exposure (%)



Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 30/03/2012

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	2.06	21.63	22.19	8.93	71.65
NAV per Share	4.73	18.62	27.41	9.57	71.38
Benchmark	4.10	17.44	25.58	11.97	62.37

Discrete Annual Performance (%)

	31/03/11 30/03/12	31/03/10 31/03/11	31/03/09 31/03/10	31/03/08 31/03/09	30/03/07 31/03/08
Share Price	8.93	25.60	77.25	-7.89	-23.16
NAV per Share	9.57	20.08	58.94	-6.05	-12.77
Benchmark	11.97	6.51	52.05	-7.69	-3.00

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

Total Number of Holdings 132

Top Ten Holdings (%)

Company	Percentage (%)
Apple	12.4
Google	4.6
Microsoft	4.4
Samsung Electronics	3.8
Qualcomm	3.1
International Business Machines	2.6
Intel	2.5
Cisco Systems	2.3
Oracle	2.2
Taiwan Semicon Manufacturing	2.1
Total	40.0

Market Capitalisation Exposure (%)

Category	Percentage (%)
Large (greater than US\$ 10bn)	69.9
Medium (US\$ 1bn to 10bn)	21.2
Small (less than US\$ 1bn)	8.9

Trust Overview

Investment Rationale

Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new technology. Technology is transforming the competitive position of companies and entire economies, thereby fuelling a major secular increase in technology spending.

Full details of the Investment Objective, Rational and Strategy are available on the company's website.

Approach

Polar Capital selects companies for their potential for generating capital growth, not on the basis of technology for its own sake. We believe in rigorous fundamental analysis and focus on: management quality, the identification of new growth markets, the globalisation of major technology trends, and exploiting international valuation anomalies and sector volatility

30 March 2012

Fact sheet

Polar Capital Technology Investment Management Team

Polar Capital Technology Trust is managed by the Polar Capital technology team. Polar Capital was established by the senior technology fund managers previously responsible for Henderson's specialist technology funds. Today's Polar Capital technology team comprises of six investment professionals.

Ben Rogoff - Director, Technology



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

Nick Evans - Senior Fund Manager

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

Colin Moar - Fund Manager

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

Fatima Iu - Fund Manager

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

How to Invest

Market Purchases

The shares of Polar Capital Technology Trust PLC are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

The company has arranged for Shareview Dealing, a telephone and internet share sale service offered by Equiniti to be made available.

Tel: 0870 850 0852

Online: www.shareview.co.uk/dealing

Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme and an ISA administered by BNP Paribas Fund Services, by contacting:

BNP Paribas Fund Services UK Ltd (Polar Capital)

Block C, Western House

Lynchwood Business Park

Peterborough, PE2 6BP

Tel: 0845 358 1109

Fax: 01733 285 822

Registered Office

4 Matthew Parker Street, London SW1H 9NP

Custodian

JP Morgan Chase NA acts as global custodian for all the Company's investments.

Registrar

Equiniti

The Causeway, Worthing, West Sussex BN99 6DA

www.shareview.co.uk

Codes

London Stock Exchange PCT

Reuters PCT.L

Bloomberg PCT.LN

Website

www.polarcapitaltechnologytrust.co.uk

House View

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

Important Information

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

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

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

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

Statements/Opinions/Views

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

Third-party Data

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

Holdings

The top 10 positions were selected based on percentage of AUM. This portfolio data is as at the date indicated and should not be relied upon as a complete or current listing of the holdings (or top holdings) of the fund. The holdings may represent only a small percentage of the aggregate portfolio holdings, are subject to change without notice, and may not represent current or future portfolio composition. Information on particular holdings may be withheld if it is in the fund's best interest to do so. A complete list of the portfolio holdings may be made available upon request. It should not be assumed that any of the securities transactions or holdings discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. The information provided in this document should not be considered a recommendation to purchase or sell any particular security.

Benchmarks

The following benchmark index is used: Dow Jones World Technology Index (Total Return). This benchmark is generally considered to be representative of the Technology equity universe. This benchmark is a broad-based index which is used for comparative/illustrative purposes only and has been selected as it is well known and is easily recognizable by investors. Please refer to www.djindexes.com for further information on this index. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. For example, investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, the index noted in this presentation is unmanaged, are not available for direct investment, and is not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the index reflects reinvestment of dividends and, where applicable, capital gain distributions. Therefore, investors should carefully consider these limitations and differences when evaluating the comparative benchmark data performance. The information regarding the index is included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to the index in composition or risk.

Regulatory Status

This document is Issued in the UK by Polar Capital. Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the Financial Services Authority. A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1H 9NP.

Information Subject to Change

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

Forecasts

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

Performance

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

Investment Process - Risk

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

Allocations

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