

# Polar Capital Partners Factsheet

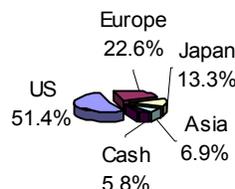
## Polar Capital Technology Investment Trust Plc.

30 November 2005

<b>Price:</b>		<b>Fund Particulars:</b>		<b>Portfolio Analysis:</b>	
Share Price	228.75	Management:	Polar Capital Partners Ltd	<b>Gearing: 113.8%</b>	
NAV per Share	235.50	Sales/Marketing:	+44 207 227 2709	The gearing figure is calculated by dividing the Trust's gross assets by its net assets. This calculation ignores the effect of any cash or fixed interest holdings.	
Discount	-2.87	Lead Managers:			
Net Yield	N/A	Brian Ashford-Russell/Ben Rogoff			
Gross Total Assets	£359.6m	Established December 1996			
Management Fee	1%p.a plus performance fee				

<u>Top Ten Holdings</u>	<u>%</u>	<u>Sector Breakdown</u>	<u>%</u>
Motech	2.3	Semi Conductors	20.5
Genentech	1.6	Healthcare	15.0
Tokyo Electron	1.4	Other Sectors	12.2
Medtronic	1.4	Software	12.2
JSR	1.3	Computing	8.7
LG Philips	1.2	Services	7.8
KLA Tencor	1.2	Electronic Components	5.0
Inter.Business.Mach	1.2	Comms Eq (ex wireless)	4.6
Konica Minolta	1.2	Consumer	4.4
Apple Com	1.2	Telecoms/Media	3.7
<b>Total Top Ten :</b>	<b>14.0</b>	Wireless	3.3
		Defence	2.7
		Futures & Options	-0.1

### Geographical Breakdown%



### Market Cap

Market Cap	%
Large (> \$10bn)	41.5
Medium (\$1-10bn)	34.4
Small (<\$1bn)	24.1

<b>Performance Over:</b>	<b>1yr(%)</b>	<b>3yrs(%)</b>
Share Price	32.61	61.66
NAV Diluted	22.37	55.15
FT/S&P World Index	21.98	35.42

All figures capital performance only; Source HSBC

### **Polar Capital Technology Investment Trust Over Past 12 Months**



Nov Dec Jan Feb Mar April May Jun Jul Aug Sep Oct Nov  
2004 Source: Bloomberg, PCT LN – PCTT SHARE PRICE v.s. W1TEC Index, GBP. 2005

## Manager Comment

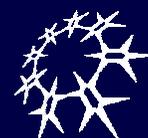
Better economic data together with oil prices drifting downwards reversed the very negative sentiment evident in October. Very encouraging productivity and unit labour cost numbers have done much to counter concerns about rising inflationary expectations. Moreover, the month saw some more doveish comments from Federal Reserve governors which even the ECB's decision to raise interest rates failed to counter-balance. These developments, together with a steady stream of M&A announcements produced a sharp upward move in share prices which, although most pronounced in Japan, was very broadly spread across global markets.

Technology share prices participated fully in the move with the Dow Jones World Technology Index rising by 6.8% (in dollar terms). M&A activity in the main market was reflected in the technology sector with Cisco's cash bid for Scientific Atlanta, confirmation of Medtronic's offer (now countered by Boston Scientific) for Guidant and Computacenter's MBO proposal. Japanese technology shares soared as the market rotated away from reflation themes towards a sector perceived to be a prime beneficiary of the yen's weakness. So undiscerning was the move that even the most uninspiring and undeserving companies saw very sharp rises over the month.

Our liquidity reduced further during the month largely as a consequence of a number of a number of very encouraging company visits made by members of the team during November. We were particularly pleased to find some very attractive small and mid cap ideas not only in the USA but also in Korea and Japan and we have already made several purchases.

Following the market's sharp rally, sentiment indicators now suggest some degree of caution would be appropriate. However, our short term indicators are still some way from an extreme reading although shares are certainly beginning to look very overbought in Japan. Demand conditions seem, if anything, to be somewhat more robust than we had expected and there are encouraging noises to be heard on corporate capital spend. It was also notable that the Thanks Giving weekend retail sales reports showed the greatest strength in consumer electronics. These positive fundamental developments have encouraged us to remain constructive notwithstanding November's move.

**Brian Ashford-Russell/Ben Rogoff, 6<sup>th</sup> December 2005**



**Investment Rational:** 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.

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

### **Polar Capital Technology Investment Management Team**

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

#### **Polar Capital Technology Investment Trust Lead Managers:**



**Brian Ashford-Russell:** Was Head of the Technology Team at Henderson (previously Touche Remnant) from 1987 until his resignation to set up Polar Capital in September 2000. He has been the appointed fund manager of Polar Capital Technology Trust since its launch in 1996 as Henderson Technology Trust, and was also the manager of HTT's predecessor, TR Technology, from 1988 to 1998. He managed the Henderson Global Technology Unit Trust from its launch in 1984 to 1996 as well as a number of other funds.



**Ben Rogoff:** Deputy manager of the trust responsible for managing the US technology portfolio and assisting in the asset allocation process. He has been a technology specialist for eight years having begun his career in fund management at CMI as a global tech 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.

#### **Technology Investment Management Team:**

##### **Tim Woolley – Fund Manager**

Began his career at Prolific as a trainee US fund manager in 1987. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap technology companies. Tim left with Brian to establish Polar Capital Partners in 2001

##### **Craig Mercer - Fund Manager**

Craig has over seven years fund management experience. He joined Scottish Equitable (later Aegon) in 1997 after gaining an economics degree from York University. He was responsible for the Aegon Japan OEIC. At Polar he focuses on Japanese technology stocks working closely with the Polar Capital Japan team.

##### **Emma Parkinson - Analyst**

Emma has worked with Brian and Tim for the last eight years as a European technology analyst, initially at Henderson and at Polar Capital from its formation. Prior to this she was an US small cap specialist with Touche Remnant and Charterhouse Bank.

##### **Diana MacAndrew - Analyst**

Diana graduated from Durham University in 2000 and has been employed at Polar Capital since its inception in January 2001. She is responsible for coverage of the global semiconductor sectors.

**Polar Capital Technology Trust PLC is an investment trust listed and traded on the London Stock Exchange.**

All sources Polar Capital Partners unless otherwise stated. Please remember that past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment. Issued in the UK by Polar Capital LLP. Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the Financial Services Authority. A list of members is open to inspection at the registered office, 4 Matthew Parker Street, London SW1N 9HP

