

## 30 November 2010

### Fact sheet

#### Fund Manager Comment

##### Market Review

November was a disappointing month for equity investors, as macroeconomic and geopolitical concerns dominated, with FTSE World Index essentially unchanged in Sterling (GBP) terms. The month started with encouraging US employment, ISM and consumer confidence reports. Unfortunately gains were short lived because much of this improvement had already been factored into market expectations in anticipation of the Fed's QE2 programme and a Republican landslide in US mid term elections. Further negative catalysts emerged in the form of escalating tensions between North and South Korea, Chinese tightening concerns and Ireland's EUR 85bn bailout, which reignited fears of wider European contagion. Improving US macroeconomic data helped drive small and mid cap outperformance whilst the return of General Motors (GM) to the public market following its IPO that raised \$20bn demonstrated how far risk appetite has rebounded from September lows.

##### Technology Review

Technology stocks made modest gains as the sector outperformed, the Dow Jones World Technology Index rising 1.7% in GBP terms. Whilst November is typically a quiet month for technology investors, results and guidance generally remained robust. The only significant inconsistency came from industry bellwether Cisco in the form of sharply reduced Q1 (Jan) guidance suggesting 3-5% y/y growth due to slowing US government, set top box and European demand. Whilst this news initially shook investors, more recent feedback from our company meetings and technology conferences suggest that it is likely stock specific, reflecting market share losses as competition intensifies with other incumbents such as Hewlett Packard and next-generation point solution vendors such as F5 Networks and Riverbed.

A stellar quarter from cloud computing pioneer Salesforce.com helped lift the Cisco-related gloom, whilst semiconductor stocks were the other significant outperformer, the SOX index rising 7.6% in GBP terms, as it appeared that the inventory adjustment that had commenced in May was largely complete. In addition, retail and Ecommerce sales on Black Friday and Cyber Monday (following Thanksgiving) got off to a strong start. Finally, the Trust received a small boost from Isilon, which received an offer to be acquired by EMC, although we had already reduced our position significantly due to its stretched valuation.

##### Outlook

Whilst we acknowledge elevated sovereign and geopolitical risks such as increased protectionism, we remain upbeat as US growth looks to be picking up and technology demand remains robust - especially for productivity enhancing new cycle technologies. In the absence of a double dip, equities look attractively valued relative to other asset classes, particularly now that the Fed has signalled its intent to drive risk asset valuations higher, perhaps at the expense of bonds. That said, we are mindful of investor sentiment that remains elevated and technology over-ownership that looks a little extended near term.

We are hopeful that strong fourth quarter earnings will drive technology outperformance although increased volatility is likely, particularly if companies issue solid but conservative 2011 guidance as we expect. Although in most cases this will purely be management teams setting an achievable bar, we have selectively taken profits in those stocks we perceive to be most at risk.

Despite this near term caution, our long-term conviction in the "new cycle" remains undiminished. Investors are likely to underestimate the impact of disruptive new technologies - both in terms of the growth potential of the beneficiaries and also the negative impact on incumbents. New flexible "utility" models for the delivery of computing namely "cloud computing", "software as a service" and "mobile broadband" are significantly lowering costs, stimulating new demand and expanding the addressable market. Not only have these new business models driven an acceleration in the pace of innovation, but at the same time the purchasing decision has begun to shift to business users (i.e. profit centres) rather than IT managers (i.e. cost centres). This is a profound change in the way IT is procured and should not be underestimated.

We would like to thank all those shareholders that have supported us over the last year and wish you a very Happy Christmas and New Year.

Ben Rogoff, 5th December 2010

#### Trust Facts

Share Price (p)	332.50
NAV per Share (p)	344.59
Discount (%)	-3.51
Total Net Assets (£m)	436
AIC Gross Gearing Ratio (%)*	107.00
AIC Net Gearing Ratio (%)*	95.00
Capital Structure	126,497,914 Ordinary shares of 25p

\*Gearing calculations are exclusive of current year Revenue/Loss

#### Trust Characteristics

Launch Date	16 December 1996
Lead Manager	Ben Rogoff
Deputy Manager	Craig Mercer
Year End	30 April
Results Announced	Mid June
Next AGM	July 2010
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)	1.31%

\* Further details can be found in the Report & Accounts

\*\* Subject to high watermark

#### 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.

##### 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.

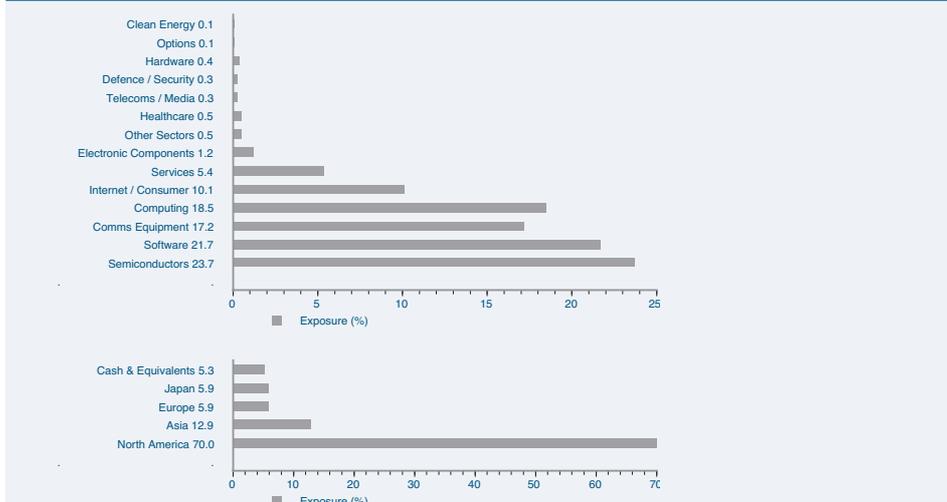
Full details of the Investment Objective, Rational and Strategy are available on the company's website.

##### 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.

**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.**

## Sector & Geographic Exposure (%)



30 November 2010

Fact sheet

**Total Number of Holdings** 116

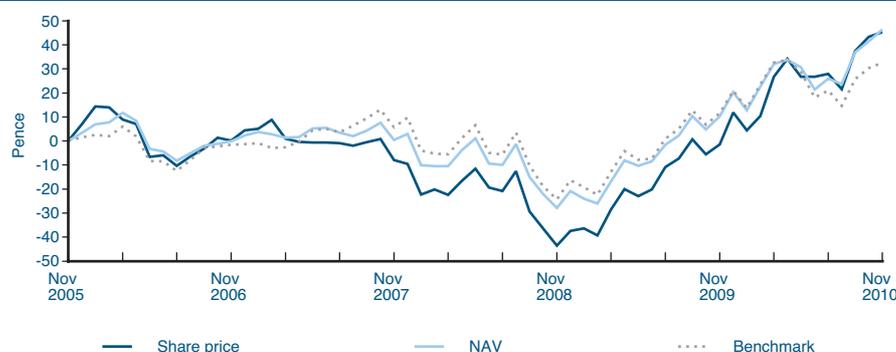
**Top Ten Holdings** (%)

Apple	8.4
Google	4.6
Microsoft	3.9
Oracle	3.4
Samsung Electronics	2.8
International Business Machines	2.5
Qualcomm	2.5
Cisco Systems	2.3
Intel	2.3
Infosys Techs	1.7
<b>Total</b>	<b>34.4</b>

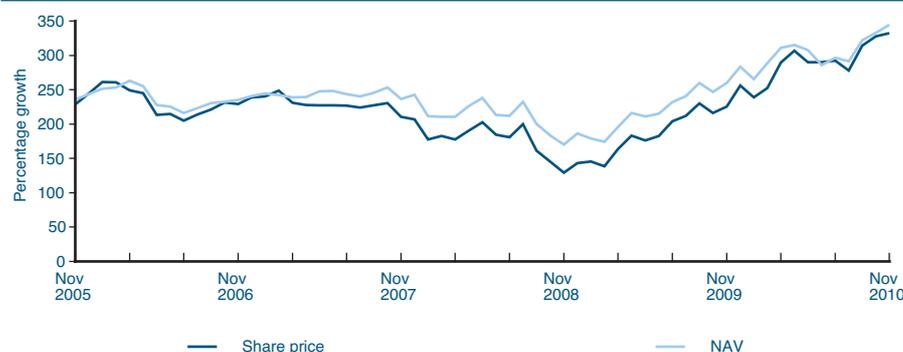
**Market Capitalisation Exposure** (%)

Large (greater than US\$ 10bn)	66.9
Medium (US\$ 1bn to 10bn)	19.5
Small (less than US\$ 1bn)	13.6

## Performance Over 5 Years



## Share Price & NAV per Share Over 5 Years



## Cumulative Performance (%) to 30/11/2010

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	1.37	19.60	14.69	47.45	45.36
NAV per Share	3.44	18.27	11.95	32.65	46.33
Benchmark	1.66	15.56	2.98	18.72	32.53

## Discrete Annual Performance (%)

	30/09/09 30/09/10	30/09/08 30/09/09	28/09/07 30/09/08	29/09/06 28/09/07	30/09/05 29/09/06
Share Price	36.52	42.60	-29.01	2.71	6.75
NAV per Share	24.04	29.79	-18.43	6.37	1.86
Benchmark	11.44	25.73	-18.03	12.86	3.05

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

30 November 2010

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 - Fund Manager



Ben has been a technology specialist for twelve 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. He is lead manager of Polar Capital Technology Trust plc, with responsibility for the management of Polar Capital's US technology portfolios. He is also joint manager of Polar Capital Global Technology Fund. Ben graduated from St Catherine's College, Oxford in 1995.

### Craig Mercer - Deputy Manager



Craig joined Polar Capital in 2002 from Scottish Equitable (later Aegon) where he managed their Japan OEIC. Craig is deputy manager of Polar Capital Technology Trust plc and is responsible for coverage of Asian technology and global alternative energy stocks. Craig has an Economics degree from York University.

### Technology Investment Management Team:

#### Nick Evans - Fund Manager

Nick joined Polar Capital in September 2007 and has eleven years experience as a technology specialist. He was previously Head of Technology at AXA Framlington and Citywire 'A' rated. He was lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology (both rated five stars by S&P) between Aug 2001 and July 2007. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. Nick has an Economics degree from Hull University.

#### Fatima Iu - Analyst

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 Masters in Chemistry.

#### Brian Ashford-Russell - Founder/Director of Polar Capital

Brian was head of the technology team at Henderson Global Investors (and prior to that Touche Remnant) from 1987 until his resignation in September 2000 to set up Polar Capital. He has been the appointed fund manager of Polar Capital Technology Trust plc, previously named Henderson Technology Trust and its predecessor TR Technology, since TR Tech's launch in 1988. He also managed the Henderson Global Tech Unit Trust from its launch in 1984 to 1996 as well as co-managing the Seligman Global Tech and Mackenzie Universal Science & Tech funds.

## 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](http://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](http://www.shareview.co.uk)

## Codes

London Stock Exchange	PCT
Reuters	PCT.L
Bloomberg	PCT.LN

## Website

[www.polarcapitaltechnologytrust.co.uk](http://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](http://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.