

## 27 February 2009

### Fact sheet

#### Fund Manager Comment

##### Market Performance

The FTSE World Index fell 9.2% in Sterling terms during the month as macroeconomic deterioration gathered pace amid waning confidence in the new US Administration's ability to navigate through the current crisis. Having rallied early during the month in anticipation of Treasury Secretary Geithner's bail-out plan, markets fell sharply following its announcement as it was perceived to be short on detail and a little too evolutionary. Fear that the new President had fallen 'behind the curve' was reinforced by macroeconomic data that made grim reading; fourth quarter GDP was revised sharply lower (to -6.2%, q/q annualized), housing starts were the lowest on record whilst unemployment reached 7.6% following the largest monthly payroll losses in 34 years. International news-flow was arguably worse still, particularly in Japan where the deleterious combination of weak export markets and a strong Yen resulted in Q4 real GDP shrinking by nearly 13% q/q on an annualised basis. At the stock level, fourth-quarter earnings season was eclipsed by creeping nationalisation of the US and UK banking systems which reduced many financial-related equities to warrant-like status.

##### Technology Performance

The technology sector continued to outpace the broader market, the Dow Jones World Technology index falling 4.5% in Sterling terms. Whilst Q4 earnings season continued to be predictably gloomy, all but the very worst offenders were given a 'pass' as a result of the extraordinary macroeconomic backdrop. In fact, the severity of the current downturn continued to benefit early cycle stocks such as semiconductors as investors began to discount the possibility that the fourth-quarter would prove to be the trough. As such, 'growth' meaningfully outperformed 'value', although small-caps trailed larger-cap peers. Whilst earnings expectations continue to fall, the magnitude of downward revisions (beyond the most cyclically exposed sub-sectors) has been less negative than feared, reflecting what appears to be a genuine desire on the part of US technology companies to better align their cost-bases with the new economic reality. In addition, sector outperformance has been aided by rock-solid balance sheets that stand in stark contrast to the average corporate during this painful deleveraging process.

##### Outlook

Equity market weakness in February and early March has disappointingly taken many markets through 2008 trough levels (although the technology sector remains above its prior lows). Whilst we have to acknowledge that the magnitude of the economic downturn has exceeded our original expectations, recent equity market weakness certainly captures much of this and with indices once again extended against their moving averages amid record investor bearishness, we are hopeful that equities will stage a recovery before long. Whilst absolute returns have been disappointing, technology indices have significantly outperformed so far this year which could lead to some near term profit taking. However, we continue to believe that the sector will retain its leadership status over the medium-term as it is uniquely positioned for a world of sub-trend growth that will invariably follow this downturn.

In many ways we believe that the sector provides investors with an 'each-way bet'; should the global economy improve, its early cycle attributes together with the empirical relationship between IT spending and corporate profits should result in sector outperformance. However, should economic recovery be postponed, the technology sector can fall back on its balance sheet strength which all but eliminates the worst-case, debt for equity scenario that many other sectors face. Over the coming years we expect others to embrace our view that the sector's core competence - delivering productivity - is likely to become more pertinent in a world of sub-trend growth. As such we are using current market weakness to further increase our exposure to areas with demonstrable ROI that are early in their adoption curves at the expense of large-cap incumbents that have delivered decent relative performance during this bear market.

Ben Rogoff, 6th March 2009

#### Trust Facts

Share Price (p)	138.75
NAV per Share (p)	174.17
Discount (%)	-20.34
Total Investments (£m)	222
Borrowing (£m)	-29
Gearing (%)*	88.51
Capital Structure	127,467,914 Ordinary shares of 25p

\* The gearing ratio is calculated by dividing total assets by net assets. The calculation ignores the effect of cash or fixed interest holdings.

#### 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 2009
Continuation Vote	2010 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

#### Trust Overview

##### Objective

The investment objective is to maximize 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.

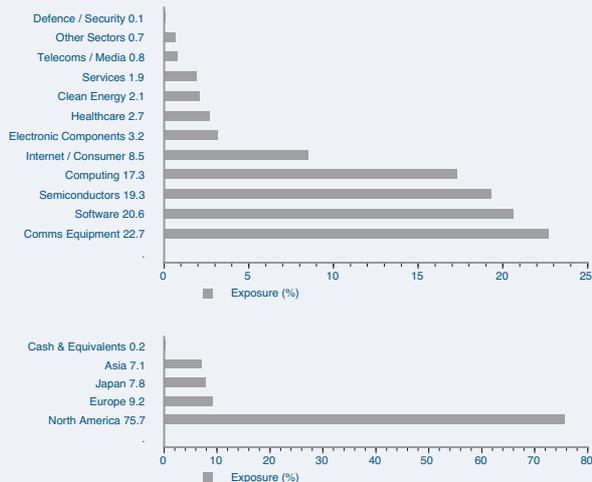
##### Approach

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.

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#### Sector & Geographic Exposure (%)



**Total Number of Holdings** 112

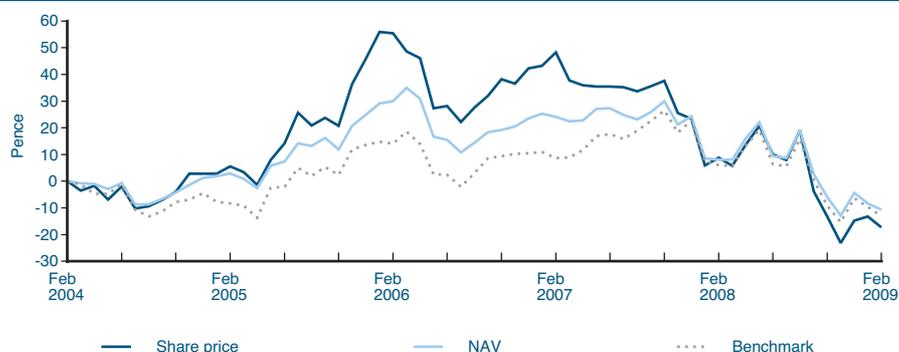
#### Top Ten Holdings (%)

Apple	5.1
Google	5.0
Cisco Systems	4.6
Oracle	4.3
International Business Machines	4.3
Qualcomm	4.1
Microsoft	3.8
Intel	3.5
Hewlett-Packard	3.1
Samsung Electronics	2.5
<b>Total</b>	<b>40.3</b>

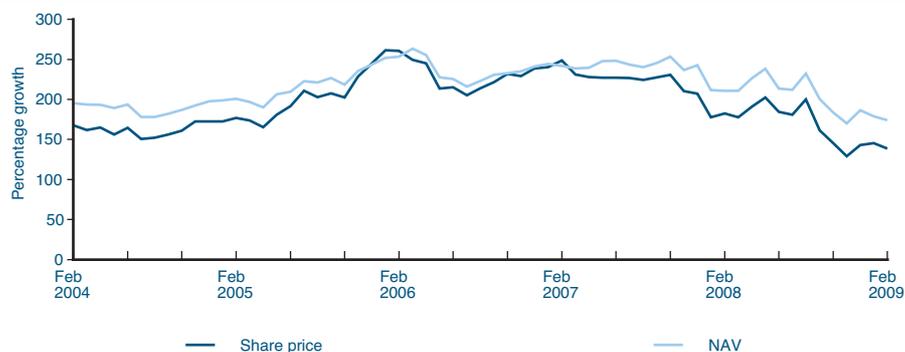
#### Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	65.7
Medium (US\$ 1bn to 10bn)	20.2
Small (less than US\$ 1bn)	14.1

#### Performance Over 5 Years



#### Share Price & NAV per Share Over 5 Years



#### Cumulative Performance (%) to 27/02/2009

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	-4.64	7.56	-30.63	-23.97	-17.29
NAV per Share	-2.68	2.47	-25.07	-17.35	-10.71**
Benchmark	-3.92	2.57	-24.99	-18.06	-13.14

#### Discrete Annual Performance (%)

	31/12/07 31/12/08	29/12/06 31/12/07	30/12/05 29/12/06	31/12/04 30/12/05	31/12/03 31/12/04
Share Price	-31.50	-12.57	-2.35	41.74	5.99
NAV per Share	-22.80	0.34	-1.04	23.16	5.53
Benchmark	-23.23	10.39	-2.70	18.92	-4.27

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

\*\*Not Adjusted for warrant exercise in September 2005. NAV per share performance is calculated on the basis of diluted NAV for the entire period.

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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



In May 2006, he took over the responsibility for managing the portfolio following three successful years running the US portfolio. Ben has been a technology specialist for over twelve years, having begun his career in at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 as a senior technology manager prior to joining Polar Capital in May 2003.

### Craig Mercer - Deputy Manager



In May 2006, Craig became the Deputy Manager of the Trust. Craig has twelve 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 Capital he focuses on Japanese technology stocks.

### Technology Investment Management Team:

#### Nick Evans - Fund Manager

Nick recently joined Polar Capital and has eleven years experience as a technology specialist. He was previously Head of Technology at AXA Framlington where, since August 2001, he had been lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. He started his career as an IT graduate trainee at Lloyds TSB. He graduated from Hull University with a degree in Economics with Business Economics in 1994.

#### Fatima Iu - Analyst

Fatima joined Polar Capital in April 2006 after working as an analyst with Citigroup Asset Management for 18 months. She graduated from Imperial College London in 2002.

#### 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.

#### Tim Woolley - Founder/Director of Polar Capital

Tim began his career as a systems analyst for two leading financial service companies. He then joined Prolific as a trainee US fund manager in 1987 and was promoted to lead manager of the technology fund in 1993. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap companies. Tim left with Brian to establish Polar Capital in 2001.

## 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)

All data as at 27 February 2009 unless otherwise stated. All sources Polar Capital 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. This factsheet is issued in the UK by Polar Capital LLP and information provided is to the best of our knowledge and a fair representation of the fund. 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