

Fund Manager Comment

Market Performance

Global equity markets rose sharply during April, the FTSE World Index rising 5.6% in Sterling terms as the relief rally that began in March extended as investors took heart from the much diminished prospect of systemic failure post the Fed orchestrated takeover of Bear Stearns. Moderating risk aversion was aided by a first quarter earnings season that proved surprisingly robust despite the macroeconomic slowdown and tightening credit markets. In addition, first quarter GDP numbers suggested that the US economy had actually expanded (versus consensus expectations for contraction) which led to a sharp rally in Treasury yields and significantly reduced expectations for further US interest rate cuts. Unsurprisingly the US Dollar staged a significant counter-trend rally as the well-anticipated 0.25% cut in US interest rates, together with an accompanying statement which suggested the Fed would likely pause to assess the impact of the 2.25% cumulative easing, pointed to peaking interest rate differentials.

Technology Performance

Technology leadership, which resumed during March, continued throughout April with the Dow Jones World Technology Index rising 7% in Sterling terms. Asian and US technology stocks meaningfully outperformed, as European stocks were weighed down by a weak outlook from bellwether Nokia. The reinvigoration of technology performance was driven by a combination of factors. First quarter is typically a weak quarter for technology spending; given the macroeconomic uncertainty, companies had a strong excuse this year to postpone spending. Investor sentiment entering reporting season remained very negative, reflected by elevated levels of institutional cash and short interest. Against this backdrop of lowered expectations, solid first quarter results were therefore sufficient to trigger a substantial sector rally.

Outlook

Whilst the better than expected first quarter earnings season has been a pleasant surprise, we still believe that stocks are unlikely to make sustained headway until we have reset 2008 earnings expectations. That the US slowdown is not already being more keenly felt at the corporate level appears due to the combination of strong international demand and a weak US Dollar. Lacklustre quarters from a number of European bellwethers (such as SAP and Nokia) are perhaps more indicative of business conditions absent a currency tailwind. That said, we suspect that the tax rebate cheques will artificially stimulate the US economy near-term which means that the impact of the credit crunch may not be fully felt until the second half of the year.

Nevertheless, as we have previously opined, pronounced stock weakness since 4Q07 certainly suggests that investors are already discounting consensus earnings expectations. As such we do not anticipate meaningful further P/E compression; rather that stock specific earnings risk will remain high, which is why we have retained a modest amount of cash in order to buy weakness as it materialises. We still fervently believe that we are in the early stages of the next technology cycle which is being driven by broadband adoption and alternative energy. As the economic clouds lift, we would expect disruptive small and mid cap stocks to emerge as the new leaders. We will be watching the US Dollar carefully as FX, which has been a significant tailwind for many larger stocks, could become a headwind which may be a potential trigger for a more aggressive move into mid and small cap stocks later in the year.

Ben Rogoff, 7th May 2008

30 April 2008

Fact sheet

Trust Facts

| | |
|------------------------|---------------------------------------|
| Share Price (p) | 190.75 |
| NAV per Share (p) | 226.38 |
| Discount (%) | -18.68 |
| Total Investments (£m) | 287 |
| Borrowing (£m) | -24 |
| Gearing (%)* | 92.23 |
| Capital Structure | 132,508,914 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 2008 |
| 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

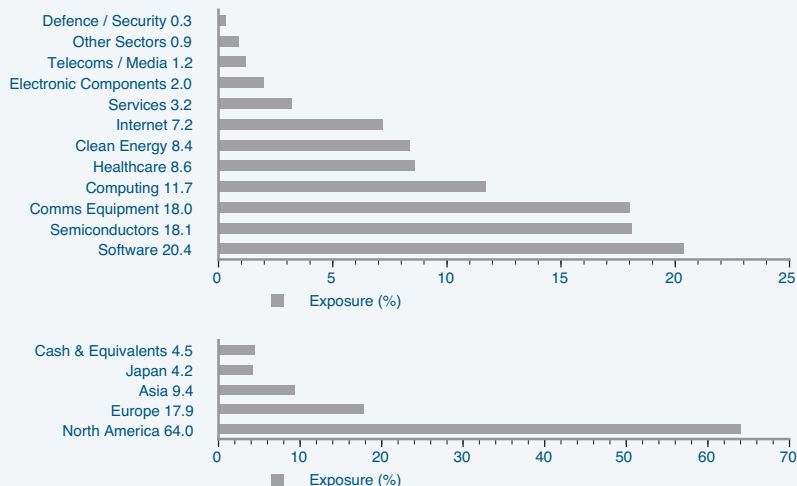
Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new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

Approach

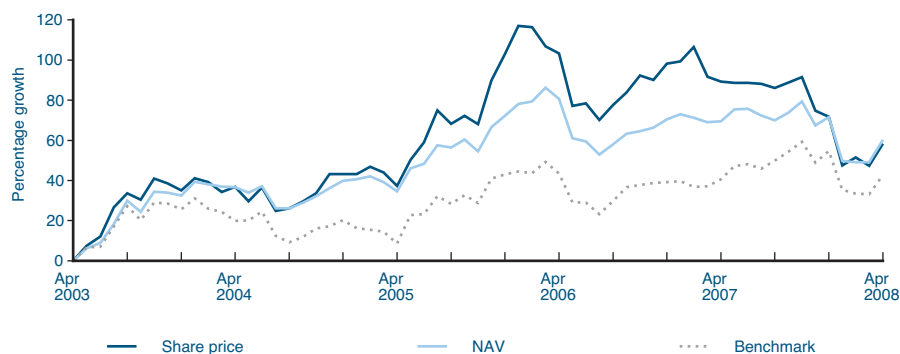
Polar Capital Partners selects companies for their potential for generating capital growth, not on the basis of technology for its own sake. We believe in rigorous fundamental analysis and focus on: management quality, the identification of new growth markets, the globalisation of major technology trends,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

30 April 2008
Fact sheet

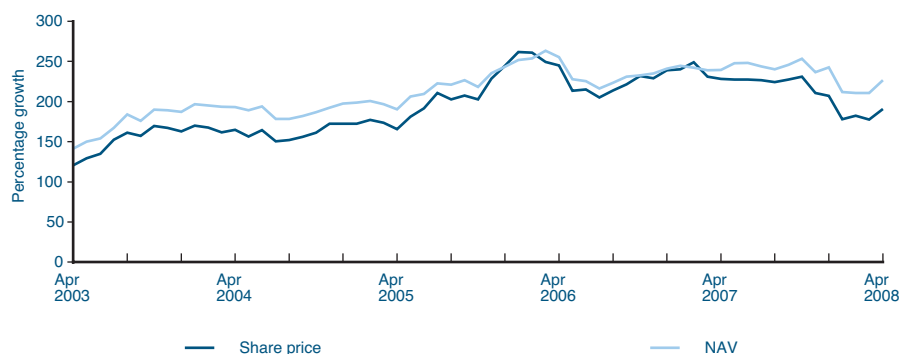
Sector & Geographic Exposure (%)



Performance Over 5 Years



Share Price & NAV Over 5 Years



Cumulative Performance (%) to 30/04/2008

| | 1 Month | 3 Months | 6 Months | 1 Year | 5 Years |
|---------------|---------|----------|----------|--------|---------|
| Share Price | 7.46 | 7.31 | -17.33 | -16.34 | 58.30 |
| NAV per Share | 7.42 | 6.94 | -10.66 | -5.45 | 60.19** |
| Benchmark | 7.23 | 5.40 | -10.42 | 1.51 | 42.70 |

Discrete Annual Performance (%)

| | 30/03/07 31/03/08 | 31/03/06 30/03/07 | 31/03/05 31/03/06 | 31/03/04 31/03/05 | 31/03/03 31/03/04 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Share Price | -23.16 | -7.32 | 43.66 | 7.26 | 43.78 |
| NAV per Share | -11.75 | -9.27 | 33.82 | 1.58 | 48.42 |
| Benchmark | -3.00 | -8.10 | 30.41 | -7.91 | 35.74 |

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.

Total Number of Holdings 113

Top Ten Holdings (%)

| | |
|---------------------|-------------|
| Google | 3.9 |
| Oracle | 3.1 |
| Apple | 3.0 |
| Research In Motion | 2.8 |
| Cisco Systems | 2.7 |
| Qualcomm | 2.7 |
| Samsung Electronics | 2.4 |
| Microsoft | 2.3 |
| Intel | 2.2 |
| Nokia | 2.1 |
| Total | 27.1 |

Market Capitalisation Exposure (%)

| | |
|--------------------------------|------|
| Large (greater than US\$ 10bn) | 62.6 |
| Medium (US\$ 1bn to 10bn) | 24.6 |
| Small (less than US\$ 1bn) | 12.8 |

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 ten 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 nine 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, working closely with the Polar Capital Japan team.

Technology Investment Management Team:

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

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 Partners

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 Partners in 2001.

Nick Evans - Fund Manager

Nick recently joined Polar Capital and has 8 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.

Emma Parkinson - Fund Manager

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

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.

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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

All data as at 30 April 2008 unless otherwise stated. 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 SW1H 9NP