

## 30 August 2013

### Fact sheet

#### Fund Manager Comment

##### Market performance

Investors took profits during August ahead of the anticipated tapering of US monetary policy and amid escalation in the Syrian conflict, the FTSE World Index falling 4.2% in sterling terms. However, higher US Treasury yields (ten year rates ending the month at 2.75%) reflected further economic improvement in the US where Q2 GDP was revised up to 2.5%, weekly initial claims fell to the lowest level since October 2007 and consumer confidence made a six year high. The Eurozone economy also showed signs of life, GDP expanding +0.3% in Q2, the first positive reading in 18 months while Chinese growth appeared to be stabilizing, the HSBC PMI registering its first >50 reading in four months. On the negative front, EM currency weakness continued, with conditions worsening in India while Brazil and Indonesia were forced to raise rates.

With US policy clearly dictating risk appetite and the risk-free rate for the rest of the world, all eyes are now firmly focused on the 18 September FOMC meeting where tapering (of US asset purchases) is expected to be formally announced. In addition, markets had to contend with a significant escalation in the Syrian conflict following the alleged use of chemical weapons. However, the likelihood of a decisive response diminished significantly following PM Cameron's defeat in the House of Commons and President Obama's decision to seek approval first from Congress, oil rising a (relatively) modest 3% during the month.

##### Technology performance

The technology sector continued its recent run of outperformance that commenced in mid April (when rumours that the Fed could begin tapering in Q3 first surfaced), the Dow Jones World Technology Index falling 2.1% in sterling terms during August. Sector performance was aided by a rebound in Apple shares, driven by rumours that their new products would be unveiled on 10 September and the news that activist investor Carl Icahn had taken a position in the stock. Microsoft also rallied sharply on the unexpected news that CEO Steve Ballmer will retire within a year, leading to speculation of more aggressive cash return or break up. However, this enthusiasm waned shortly after month-end as the company announced it would acquire Nokia's handset business, a very defensive acquisition in our view and supportive of our significant underweight position (which we further reduced).

While our Internet holdings continued to perform strongly (led by Yelp, LinkedIn, Facebook, Blinkx and OpenTable), semiconductor and networking/optical stocks gave up some of their year-to-date gains. The weakness in networking/optical stocks was not surprising in the wake of poor results from JDS Uniphase and lacklustre guidance from Cisco, albeit partially offset by a positive pre-announcement from Finisar. That said, while talk of an "inconsistent macro environment" was clearly disappointing we believe the more conservative tone from Cisco management may also have been influenced by the simultaneous announcement of a 5% workforce reduction. Elsewhere, enterprise spending data points were mixed with Hewlett Packard, Autodesk and Intuit each delivering uninspiring quarters, while Cognizant and Aruba posted solid numbers citing recovery in the US and stabilization in Europe.

##### Outlook

We continue to believe that stocks have entered a new secular bull market and despite heading into September – empirically the worst month for equity performance – we remain constructive given our expectation of ongoing support from policymakers (despite near-term concerns) until the developed world recovery is perceived to have become self-sustaining. Furthermore, while tapering of asset purchases in the US looks likely to occur in the near-term (given broadly supportive recent economic data), the continued rise in longer-term Treasury yields suggests this is well anticipated, at least by bond investors. Despite year-on-year global GDP accelerating for the first time in three years and amid evidence of some (long overdue) switching from bonds into equities, investor sentiment remains remarkably subdued (likely reflecting fears over Syria and upcoming debt ceiling negotiations). Given our overall constructive view on markets, we have used this recent hiatus to reduce our liquidity as we do not expect the Syrian crisis to precipitate an oil shock.

Technology stocks have empirically performed well during tightening cycles and we are hopeful that the recent rotation in market leadership will remain supportive. However, we continue to advocate a more selective (non-index) approach as intra-sector fortunes are diverging now that new technologies which began as complements (to existing solutions) have become substitutes, a view recently supported by Microsoft's acquisition of Nokia's handset business, a defensive move in our view. As a result, we have continued to pare our overall index exposure - despite seemingly attractive aggregate valuations and balance sheets – in favour of secular growth stocks and themes that have much to gain, and little to lose from the new technology cycle.

Ben Rogoff, 12 September 2013

#### Trust Facts

##### Ordinary Shares

Share Price (p)	436.50
NAV (undiluted) per Share (p)	439.98
Premium (%)	-
Discount (%)	0.79
Capital Structure	128,233,796 shares of 25p

##### Subscription Shares†

Share Price (p)	9.08
Exercise Price (p)	
- From 1 April 2012 to 31 March 2014	478.00
Capital Structure	24,772,406 shares of 1p

Total Net Assets (£m)	564
AIC Gearing Ratio (%)*	0.00
AIC Net Cash Ratio (%)*	2.00

\*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 2013
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
Ongoing Charges (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.

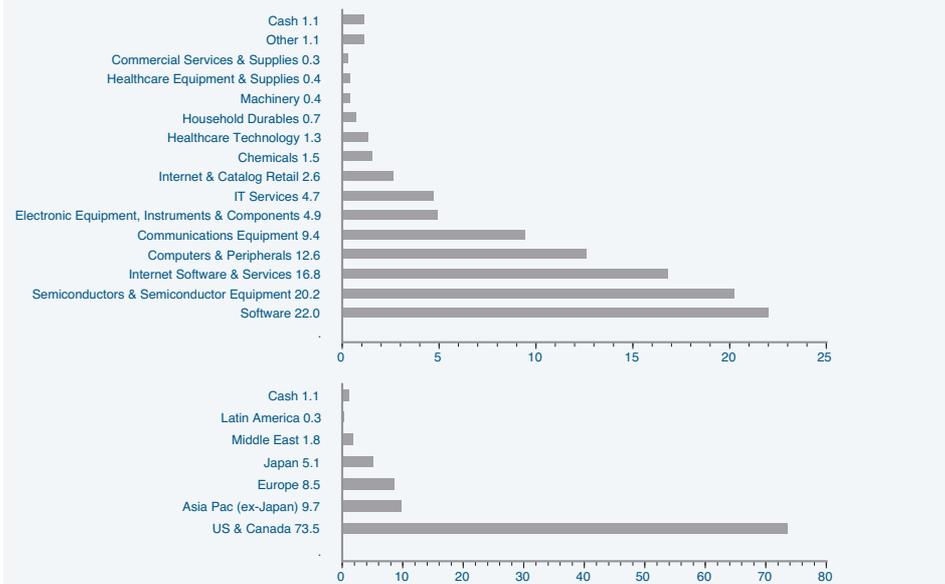
†For full details of the subscription shares and their exercise terms please refer to the prospectus of 18 January 2011 and the notes on the company's website.

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 August 2013

Fact sheet

### Sector & Geographic Exposure (%)



**Total Number of Holdings** 132

### Top Ten Holdings (%)

Apple	7.9
Google	6.6
Cisco Systems	3.1
Microsoft	2.7
Samsung Electronics	2.5
Facebook	2.2
Qualcomm	2.1
Amazon	2.0
SAP	1.7
Intel	1.6
<b>Total</b>	<b>32.4</b>

### Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	66.9
Medium (US\$ 1bn to 10bn)	27.3
Small (less than US\$ 1bn)	5.8

### Trust Overview

#### Investment Rationale

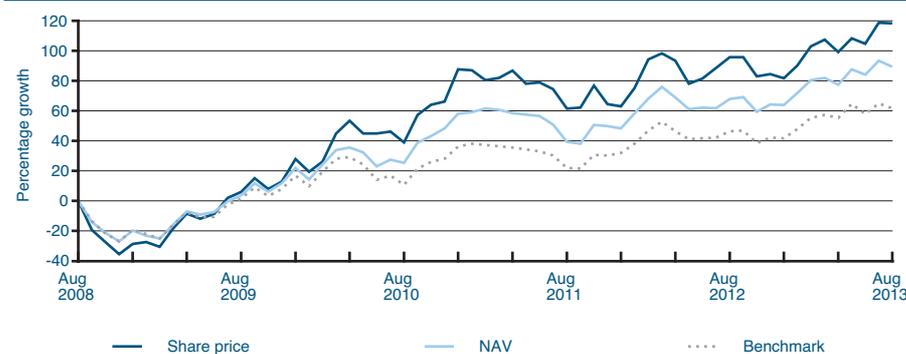
Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new 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.

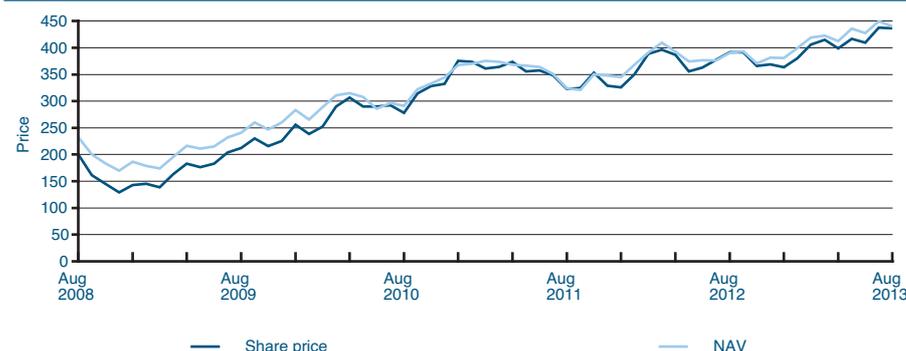
#### Approach

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

### Performance Over 5 Years



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



### Cumulative Performance (%) to 30/08/2013

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	-0.25	4.78	7.57	11.55	118.25
NAV per Share	-2.08	0.89	4.96	12.71	89.26
Benchmark	-1.87	-1.76	4.20	10.54	61.78

### Discrete Annual Performance (%)

	30/04/13 30/08/13	30/04/12 30/04/13	28/04/11 30/04/12	30/04/10 28/04/11	30/04/09 30/04/10
Share Price	9.54	2.97	3.61	21.74	67.65
NAV per Share	6.68	5.06	6.59	16.88	45.63
Benchmark	4.20	5.98	8.12	4.87	39.63

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

30 August 2013

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 five investment professionals.

### Ben Rogoff - Director, Technology



Ben joined 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. He has been a technology specialist for 15 years. Prior to joining Polar Capital he began his career in fund management at CMI, as a global technology analyst. He moved to Aberdeen Asset Managers in 1998 where he spent four years as a senior technology manager. Ben graduated from St Catherine's College, Oxford in 1995.

### Technology Investment Management Team:

#### Nick Evans - Senior Fund Manager

Nick joined Polar Capital in September 2007 and has 15 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 2001 to 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 has a degree in Economics from Hull University.

#### 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 alternative energy and medical technology sub-sectors. Fatima graduated from Imperial College London in 2002 with a degree in Medicinal Chemistry. She is a CFA charterholder.

#### Colin Moar - Fund Manager

Colin joined Polar Capital in January 2011 as a Fund Manager, having spent 15 years covering Pan-European and then global equity markets, with the technology sector as his main focus. Prior to joining Polar Capital 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 has a degree in Business Studies from the University of Edinburgh.

#### Xuesong Zhao - Fund Manager

Xuesong joined Polar Capital in May 2012, having spent most of the previous five years working as an investment analyst within the emerging market & Asia team at Aviva Investors, where he was responsible for the technology, media and telecom sectors. Prior to that, he worked as a quantitative analyst and risk manager for the emerging market debt team at Pictet Asset Management. He started his career as a financial engineer at Algorithmics, now owned by IBM, in 2005. He holds an MSc in Finance from Imperial College Science & Technology, a BA (Hons) in Economics from Peking University and is a CFA charterholder.

## 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 Alliance Trust Savings Scheme, by contacting Alliance Trust.

Tel: 0800 326 323  
Online: [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk)

## 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

### Ordinary Shares

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

### Subscription Shares

London Stock Exchange	PCTS
Reuters	PCTS.L
Bloomberg	PCTS.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.

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## Statements/Opinions/Views

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## Holdings

This portfolio data is "as of" 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 and all benchmarks are broad-based indices which are used for comparative/illustrative purposes only and have been selected as they are well known and are 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, any indices noted in this presentation are unmanaged, are not available for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the indices 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 indices are included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to any of the indices in composition or risk.

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Investment managers which are authorised and regulated by the FCA are expected to write to investors in funds they manage with details of any side letters they have entered into. The FCA considers a side letter to be an arrangement known to the investment manager which can reasonably be expected to provide one investor with more favourable rights, which are material, than those afforded to other investors. These rights may, for example, include enhanced redemption rights, capacity commitments or the provision of portfolio transparency information which are not generally available. The Fund and the Investment Manager are not aware of, or party to, any such arrangement whereby an investor has any preferential redemption rights. However, in exceptional circumstances, such as where an investor seeds a new fund or expresses a wish to invest in the Fund over time, certain investors have been or may be provided with portfolio transparency information and/or capacity commitments which are not generally available. Investors who have any questions concerning side letters or related arrangements should contact the Polar Capital Desk at the Administrator on 0800 3134922. The Fund is prepared to instruct the custodian of the Fund, upon request, to make available to investors portfolio custody position balance reports monthly in arrears.

## 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. 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.