# Trust Fact Sheet
31 August 2021

## Trust Facts

**Ordinary Shares**

| | |
|---|---|
| Share Price | 2560.00p |
| NAV per share | 2759.24p |
| Premium | - |
| Discount | -7.22% |

**Assets & Gearing** [1]

| | |
|---|---|
| Total Net Assets | £3,751.7m |
| AIC Gearing Ratio | n/a |
| AIC Net Cash Ratio | n/a |

## Benchmark

Dow Jones Global Technology Index Total Return Sterling adjusted with the removal of relevant withholding taxes (from 1 May 2013)

## Fees [2,3]

**Management Fees**

| | |
|---|---|
| £0 - £800m | 1% |
| £800m - £1.6bn | 0.85% |
| £1.6bn - £2bn | 0.8% |
| Over £2bn | 0.7% |
| **Performance** | 10% over Benchmark |
| **Ongoing Charges** | 0.82% |

## FX Rates

| | |
|---|---|
| GBP/USD | 1.3763 |
| GBP/EUR | 1.1659 |
| GBP/JPY | 151.1948 |

**Risk Warning**

Your capital is at risk. You may not get back the full amount you invested. Please note the Important Information at the end of this document and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

**Discount Warning**

The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

# Company Profile

## Investment Objective

The Company aims to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world.

## Investment Policy

The Company invests its technology assets in a portfolio comprised primarily of international quoted equities which is diversified across both regions and sectors within the overall investment objective to reduce investment risk.

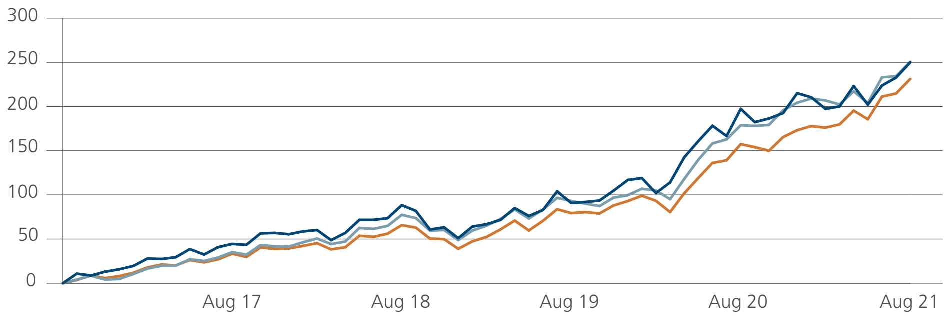
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

## Investment Approach

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

# Performance

## Performance over 5 years (%)




| | 1 month | 3 month | YTD | 1 year | 3 years | 5 years |
|---|---|---|---|---|---|---|
| Ordinary Share Price (TR) | 5.18 | 15.84 | 11.06 | 17.70 | 85.78 | 249.97 |
| NAV per share | 4.91 | 15.36 | 15.22 | 25.77 | 97.38 | 250.09 |
| Benchmark | 5.24 | 15.98 | 21.24 | 28.68 | 99.87 | 231.22 |

## Discrete Performance (%)

| | Financial YTD[4] | 28.08.20 31.08.21 | 30.08.19 28.08.20 | 31.08.18 30.08.19 | 31.08.17 31.08.18 | 31.08.16 31.08.17 |
|---|---|---|---|---|---|---|
| Ordinary Share Price (TR) | 8.29 | 17.70 | 55.80 | 1.31 | 30.37 | 44.50 |
| NAV per share | 10.53 | 25.77 | 44.28 | 8.77 | 31.19 | 35.20 |
| Benchmark | 12.16 | 28.68 | 43.51 | 8.23 | 24.18 | 33.45 |

Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, total return, Net of Fees in GBP terms. Past performance is not indicative or a guarantee of future results.

1. Gearing calculations are exclusive of current year Revenue/Loss.
2. The performance fee is subject to a highwater mark and cap. Further details can be found under Corporate Documents of the Company's website: http://www.polarcapitaltechnologytrust.co.uk.
3. Ongoing charges are calculated at the latest published year end date, and exclude any performance fees.
4. The end of the financial year for the Company is the final day of April each year.

## Awards & Ratings

Money Observer Trust Awards 2019 Best Large Trust Highly Commended Polar Capital Technology

Portfolio Adviser Fund Awards '20 Gold Sector Specialist Last Word

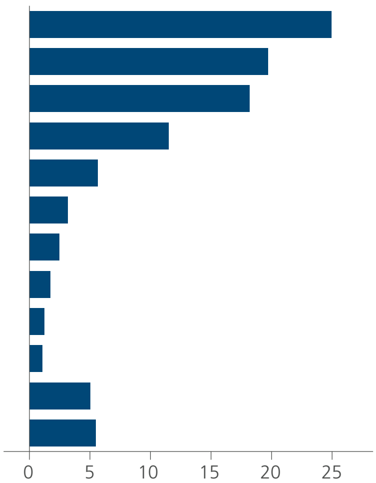
# Polar Capital Technology Trust plc

## Portfolio Exposure

As at 31 August 2021

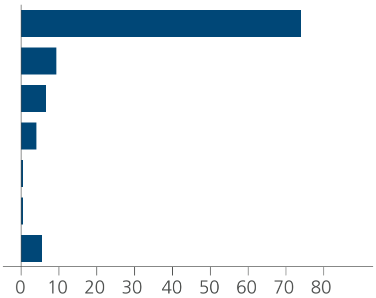
### Sector Exposure (%)

| | |
|---|---|
| Software | 24.9 |
| Interactive Media & Services | 19.7 |
| Semiconductors & Semiconductor Equip. | 18.2 |
| Tech. Hardware, Storage & Peripherals | 11.5 |
| IT Services | 5.6 |
| Internet & Direct Marketing Retail | 3.2 |
| Entertainment | 2.5 |
| Elec. Equip. Instruments & Components | 1.7 |
| Automobiles | 1.2 |
| Machinery | 1.1 |
| Other | 5.0 |
| Cash | 5.5 |




### Geographic Exposure (%)

| | |
|---|---|
| US & Canada | 73.9 |
| Asia Pacific (ex-Japan) | 9.3 |
| Europe (ex UK) | 6.5 |
| Japan | 4.0 |
| UK | 0.4 |
| Middle East & Africa | 0.4 |
| Cash | 5.5 |




### Top 15 Holdings (%)

| | |
|---|---|
| Microsoft | 9.5 |
| Alphabet | 9.4 |
| Apple | 8.2 |
| Facebook | 5.0 |
| NVIDIA | 3.0 |
| Samsung | 2.5 |
| Taiwan Semiconductors | 2.4 |
| Advanced Micro Devices | 2.3 |
| Adobe Systems | 2.0 |
| ASML Holding | 1.9 |
| HubSpot | 1.4 |
| Tencent | 1.4 |
| Snap | 1.4 |
| DocuSign | 1.2 |
| ServiceNow | 1.2 |
| **Total** | **52.8** |

### Total Number of Positions 108

### Market Capitalisation Exposure (%)

| | |
|---|---|
| Large Cap (>$10bn) | 91.8 |
| Mid Cap ($1bn - $10bn) | 7.8 |
| Small Cap (<$1bn) | 0.4 |

## Investing in the Trust and Shareholder Information

### 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

Details of the different ways of dealing in the company's shares are given on the website. Equiniti, the company's registrars provide an internet share sale service.

**Telephone** 0800 876 6889

**Online** www.shareview.co.uk

### Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme or an ISA.

### Corporate Contacts

**Registered Office and Website**

16 Palace Street, London SW1E 5JD
www.polarcapitaltechnologytrust.co.uk

**Custodian**

HSBC Plc is the Depositary and provides global custody of all the company's investments

**Registrar**

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

### Trust Characteristics

| | |
|---|---|
| Launch Date | 16 December 1996 |
| Year End | 30 April |
| Results Announced | Mid July |
| Next AGM | September 2021 |
| Continuation Vote | 2025 AGM |
| Listed | London Stock Exchange |

### Codes

**Ordinary Shares**

| | |
|---|---|
| ISIN | GB0004220025 |
| SEDOL | 0422002 |
| London Stock Exchange | PCT |

The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Note: Totals may not sum due to rounding.

# Fund Manager Comments

As at 31 August 2021

### Market review

Global equity markets advanced for the seventh consecutive month in August. The MSCI All Country World advanced 3.6% while the S&P 500 gained 4.1% and the DJ Euro Stoxx 600 2.9% (all returns in sterling terms).

Robust market performance was supported by a strong US jobs report at the start of the month combined with dovish commentary by Fed Chair Powell at Jackson Hole. Receding concerns around the coronavirus Delta variant as new global cases plateaued (after reaching 650,000 in mid-August) also provided some respite, although trends continue to vary significantly by country with all eyes on countries such as the UK and Israel as they open up and China, Japan and Australia as they battle resurgent outbreaks. Vaccination programs continue to make good progress with the EU reaching the goal of fully vaccinating 70% of its adult population, despite the slowing pace of inoculations.

Powell's speech at Jackson Hole certainly calmed investor nerves about an imminent tapering of asset purchases, although the possibility that this could begin this year remains. On the two goals set for this process to start, there has been "clear progress towards [the] maximum employment" objective, while the economy had already passed the "substantial further progress" test on its inflation objective. Powell also struck a dovish tone that helped drive equity markets higher as he stressed tapering was not a signal for eventual rate hikes and warned that monetary policy should not respond to transitory inflation pressures.

Economic activity indicators continue to indicate varying challenges to the ongoing macroeconomic recovery. August provided another set of weaker-than-expected China PMIs as the composite PMI dropped to 49.9, which marks the first sub-50 reading since February 2020. The official manufacturing PMI was relatively resilient in falling modestly to 50.1 versus 50.4 last month, but the non-manufacturing PMI was a big miss, at 47.5 versus 52.0 expected, and down from 53.3 last month. Multiple factors are likely behind the slowdown including imposing lockdowns to control the spread of the Delta variant, flooding in some regions and the ongoing regulatory changes that have impacted business and consumer spending.

Several key industrial commodities gave back some of their strong year-to-date gains during the month, including oil which posted its first monthly decline since March. Brent fell 4.0% as concerns over slowing demand in China and new restrictions imposed due to the Delta variant weighed on sentiment.

In the Eurozone, the composite index may have peaked as the August reading retraced slightly to 59.5 from 60.2 in July. It was noteworthy that the Eurozone services sector surpassed the reading for manufacturing for the first time since the start of the pandemic, which had hit services particularly hard. Presently, all readings remain in expansion territory and suggest the European recovery is in good health.

US jobs data improved as the US jobs report for July, released in early August, showed non-farm payrolls were up 943,000, the strongest in 11 months. Positively, the June number was also revised higher to show 938,000 new jobs as the unemployment rate dropped to 5.4%. This strength was somewhat offset by a weak August reading, which saw a jobs gain of just 235,000, about 500,000 below consensus as the Delta variant led to weakness in COVID-19-sensitive sectors including leisure.

The US economy, like China, has passed the peak in its leading economic indicators, although the majority of data points remain firmly in expansion territory, supportive of continued robust economic conditions. In August, the US ISM manufacturing PMI unexpectedly rose to 59.9 (versus 59.5 in July) despite headwinds caused by both labour and material shortages. That said, there was softer economic data too – July retail sales/housing starts weakened and the August University of Michigan Sentiment Survey produced notable downside surprises.

### Technology review

The Dow Jones Global Technology Index returned 5.2% in sterling terms during August, outperforming the broader equity market. The sector continued to benefit from concerns that economic growth has peaked with sustainable secular growth more valued by investors. Likely aided by continued inflows, large caps outpaced small caps, the Russell 1000 Technology Index returning 5.0% driven by mega-cap strength, while the Russell 2000 returned 3.5%. This brings the YTD performance gap to 28% for the large-cap index versus 12% for the small-cap index. The Bloomberg Americas Software Index outperformed during the month, rising 4.8%, benefitting from a strong earnings season and sustained demand for digital transformation. The semiconductor and internet subsectors lagged, the Philadelphia (SOX) Semiconductor Index returning 1.9% while the NASDAQ Internet Index gained 2.3%.

Company results in the software sector remained robust during the month. Salesforce.com delivered a strong report and offered encouraging guidance while operating margins expanded y/y and management raised its FY22 margin outlook slightly. Management attempted to assuage investor concern around M&A synergies, disclosing Tableau was involved in nine of the top 10 deals, and Slack Connect grew 200% y/y. Workday also reported strong Q2 results beating expectations and raised FY22 FCF guidance by $300m to $1.5bn. Management remain confident that new bookings growth will accelerate from here. Snowflake, which provides cloud-based data storage and analytics services, grew product revenue 104% y/y ($41m q/q from $36m q/q last quarter) raised guidance to 91-93% product revenue growth in FY22. Snowflake is advancing its position beyond a cloud data warehouse, as evidenced by early traction in new areas including Snowpark (modern data pipelines), security analytics, machine learning and data exchange.

Cybersecurity results have also remained strong. End-point cyber security provider Crowdstrike Holdings delivered a strong quarter with annual recurring revenue (ARR) growth of 70% y/y and raised full-year revenue growth guidance to 60% y/y, slightly below high investor expectations (despite delivering strong operating leverage (FCF margin in H1 was 30%). However, we modestly reduced our position on valuation grounds.

Elsewhere, some of the big winners from 2020 such as Zoom Video Communications (Zoom) and Peloton Interactive (Peloton) continued to struggle despite solid results due to uncertain H2 demand/guidance. Zoom posted solid results with revenues growing 54% y/y, but full-year guidance was only raised modestly, implying continued deceleration (flat q/q in Q3 and Q4). Management commented that churn was increasing in the SMB segment and that sales cycles were reverting to more normal pre-pandemic buying patterns. On the positive side, Zoom Phone reached

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# Fund Manager Comments

As at 31 August 2021

two million seats while up-market growth remained robust, with 131% growth in >$100k customers.

Peloton's FY21 results were in line with expectations but FY22 guidance proved more mixed. Management expects to grow Connected Fitness Subscribers by 1.3 million during the fiscal year, an acceleration from 1.2 million in FY21 (against fears of one million or below). This positive news was undermined by a c20% Peloton Bike price cut and a significant increase in spending to support subscriber acquisition, which led to EBITDA guidance well below consensus. While the company has positioned this as an offensive rather than defensive initiative designed to increase their subscriber base more quickly using a lower price point, the use of price at this stage of penetration somewhat challenges the Apple parallel (premium price, mass affluent customer) while creating additional H2 uncertainty resulting in us reducing our position.

In the video game subsector, Activision Blizzard reported strong Q2 results, with net bookings down 8% y/y against a very difficult comparison (first lockdown), and raised full-year guidance, driven by ongoing strength from the Call of Duty franchise and King (bookings +15% y/y). That said, market sentiment on the sector is rock bottom, despite engagement remaining resilient during the reopening. The company remains on a yellow card due to an ESG issue – a lawsuit from the DFEH (Department of Fair Employment and Housing) in California related to claims of discrimination and harassment, focused on the Activision Blizzard studio. While management has now taken meaningful steps to address these issues, we are monitoring their progress here as well as uncertainty around forthcoming game releases tied to this disruption. Elsewhere, ROBLOX continues to perform better, modestly missing Q2 bookings' expectations due to softness in June, but daily active users (DAUs) were +29% y/y and bookings +35% y/y against a very tough comp. Trends also improved in July, which had the highest levels of users and engagement to date, along with strong DAUs outside US/Canada +42% y/y and DAUs over the age of 13 +46% y/y, reaching near parity with those under 13.

The gaming industry (along with dating and music) could be genuine beneficiaries of the regulatory pressure mounting against Apple and Alphabet's app store take rates. South Korea recently became the first country to ban monopolies on app store payments, allowing app makers to use other companies to process payments for them. In the US, a bipartisan Senate bill called *The Open App Markets Act* would also require app store owners to allow third-party in-app payment systems and 'sideloading' of apps, meaning they do not need to be downloaded from an official app store. This comes ahead of the Apple versus Epic ruling, which is expected soon.

In the internet sector, Zillow Group reported a solid quarter and strong guide for Q3 with a record 3,805 homes purchased as the iBuying business continues to ramp up. While adjusted EBITDA guidance for Q3 was below expectations due to higher product and marketing investments, the Zillow 2.0 business model appears to be gaining traction. Despite the reopening of the economy, meal-kit provider HelloFresh continues to fire on all cylinders, and reported revenue growth of 67% y/y cc. The company added 400,000 customers in the quarter, taking the total to 7.7 million, +83.7% y/y. Management have increased fulfilment investments to meet demand, with spending set to increase 45-55% in 2021 from expectations for 20-25% set at the start of the year.

In the travel subsegment, TripAdvisor reported in line, while Q3 guidance was for a meaningful sequential improvement. The US market remains the key driver, with the hotel metasearch revenues nearly achieving 2019 levels, while Europe has been accelerating since May and helped push EBITDA back into positive territory. Airbnb posted a strong quarter with gross booking value (GBV), revenue and EBITDA all ahead of expectations. Room nights were almost flat on 2Q19, while GBV/revenue were up 37%/+10% respectively as price recovers faster than volume. North America was once again the key region supported by a significant rebound in Europe, with early signs of recovery in cross-border and urban/city, two historic strengths of Airbnb. However, Q3 guidance for room nights was down sequentially and expected to remain below 3Q19 levels near term due to concerns around the coronavirus Delta variant.

In semiconductors, shortages did not stop NVIDIA reporting revenue growth of 68% y/y with all key operating metrics modestly above consensus estimates. Gaming demand continues to outstrip supply and gaming GPUs were selling at a c50% premium to manufacturers' suggested retail price in August. Data centre revenue growth is accelerating (with inference revenue doubling), more than offsetting lower demand from cryptocurrency. In contrast, Infineon Technologies modestly missed top line estimates impacted by manufacturing constraints which limited its ability to grow revenue despite the semiconductor shortage. Customer/channel inventories are at historic lows, however, with chips being shipped from fabs straight into the end applications resulting in book-to-bill at 2.4x (up from 2.1x last quarter).

The semiconductor sector underperformed during August, despite very strong results overall, with upside limited by both supply constraints and concerns that we are approaching the peak of a very unusual cycle. Demand in some end markets does appear to be slowing. In the PC market, Chromebook sales doubled in 2020 as schools switched to remote learning and, while sales are still expected to grow in 2021, Chromebook makers subsequently cut component orders by 20% in August. Concerns also increased following a report from DRAMeXchange that market expectations are for memory prices to drop up to 5% in Q4. However, inventories in other markets like automotive remain extremely lean.

### Outlook

Environmental, social and governance (ESG) issues represent an important challenge for the technology sector, but also a great opportunity. The sector may have contributed to ESG issues, but it also has the singular capacity to alleviate many of them by providing the innovation at scale required to meet today's existential challenges. Technology is having a beneficial impact on the environment via electric vehicles supporting greener mobility and AI-based optimisation increased energy efficiency across the built environment. The shift towards a hybrid world provides a glimpse into a lower-carbon future associated with lower-frequency, long-distance travel and the transformation of more activity from relatively carbon-intensive 'atoms' into less carbon-intensive 'bits'.

Technology investment is crucial to meet the challenges associated with climate change: more than one third of the cumulative $CO_2$ emissions

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# Fund Manager Comments

As at 31 August 2021

reductions seen in the Sustainable Development Scenario (2070) derive from technologies currently at the prototype or demonstration phase, and a further 40% derive from technologies that have not yet moved beyond early adoption. There are also negative technological impacts including energy-intensive cryptocurrency mining and hazardous waste biproducts of semiconductor supply chains. We look forward to providing investors with more information about the sector's ESG impact and more detail concerning the integration of ESG within our own investment process during Q4.

Economists have been reducing their second half growth expectations as the Delta variant has impeded the handoff from goods to services consumption and crimped the labour market recovery in some COVID-19-exposed areas. Against this backdrop, technology companies are themselves having to navigate reopening headwinds that could temporarily challenge growth, but we remain confident in the long-term secular tailwinds enjoyed by our portfolio companies and the richer opportunities that the evolution to a hybrid world offers many of them. Digital transformation remains a corporate imperative and meeting with our companies gives us increased confidence that it remains early in its lifecycle. However, valuations remain challenging in some of the highest growth subsectors, and we believe conservatism is appropriate when analysing some companies on TAM-based valuations given their potential vulnerability to a sharp deterioration in the risk environment.

Selected mega-cap companies continue to benefit from solid growth/earnings, safe haven and premium ESG rating status (and associated fund flows) while a narrow group of perceived long-term winners (high profile/momentum stocks) trading at very high revenue multiples continue to lead. While both these groups have contributed to absolute returns, they also represent a style headwind for our growth-centric but valuation-sensitive approach. Our experience tells us that periods characterised by narrower leadership and weaker market breadth often presage higher future volatility. As such, we are likely to remain relatively conservatively positioned for now with our unbridled enthusiasm for technology centrality in a hybrid world gated only by elevated valuations that leave little room for adverse near-term developments, either at the macro or micro level.

We strongly believe the recent acceleration and broadening of technology adoption will continue to provide a powerful tailwind for the Trust. Near term, however, we see a complex macro backdrop with the prospect of Fed tapering, the consequences of the fading fiscal impulse, an uncertain labour market recovery, inflationary pressures, supply constraints and the still unknown path of the virus and potential for future variants. We could certainly see increased volatility tied to these factors, especially during the challenging early October preannouncement season (ahead of third quarter results). That said, we expect technology results to remain robust suggesting the sector and perhaps the market could just grind higher (aided by record liquidity) as we continue to climb the proverbial wall of worry.

**Ben Rogoff**

14 September 2021

## Polar Capital Technology Trust Management Team

**Ben Rogoff**

**Partner, Technology**

Ben has managed the Trust since 2006, he joined Polar Capital in 2003 and has 26 years of industry experience.

**Nick Evans - Partner**

**Fatima Iu - Fund Manager**

**Xuesong Zhao - Fund Manager**

**Alastair Unwin - Fund Manager**

**Chris Wittstock - Senior Investment Analyst**

**Bradley Reynolds - Investment Analyst**

**Paul Johnson - Investment Analyst**

**Nick Williams - Investment Analyst**

**Patrick Stuff - Investment Analyst**

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**Holdings** 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 Company. 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 Company's best interest to do so. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request. This document is not a recommendation to purchase or sell any particular security. It is designed to provide updated information to professional investors to enable them to monitor the Company.

**Benchmarks**

The following benchmark index is used: Dow Jones Global 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 for further information on this index. Comparisons to benchmarks have limitations as benchmarks volatility and other material characteristics that may differ from the Company. Security holdings, industry weightings and asset allocation made for the Company may differ significantly from the benchmark. Accordingly, investment results and volatility of the Company may differ from those of the benchmark. The indices noted in this document are unmanaged, are unavailable for direct investment, and are not subject to management fees, transaction costs or other types of expenses that the Company may incur. 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. Information regarding indices is included merely to show general trends in the periods indicated, it is not intended to imply that the Fund was similar to the indices in composition or risk. The benchmark used to calculate the performance fee is provided by an administrator on the ESMA register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

**Regulatory Status** Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is registered as an investment adviser with the US Securities & Exchange Commission ("SEC"). A list of members is open to inspection at the registered office, 16 Palace Street, London, SW1E 5JD. FCA authorised and regulated Investment Managers 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 materially favourable rights, 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 Registrar on 0800 876 6889. 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 estimates of actual returns Polar Capital may achieve. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. Forecasts are based upon subjective estimates and assumptions about circumstances and events that have not and may not take place.

**Performance/Investment Process/Risk** Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Factors affecting the Company's performance may include changes in market conditions (including currency risk) and interest rates and in response to other economic, political, or financial developments. The Company's investment policy allows for it to enter into derivatives contracts. Leverage may be generated through the use of such financial instruments and investors must be aware that the use of derivatives may expose the Company to greater risks, including, but not limited to, unanticipated market developments and risks of illiquidity, and is not suitable for all investors. Those in possession of this document must read the Company's Investment Policy and Annual Report for further information on the use of derivatives. 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), or guaranteed by any bank, and may lose value. 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.

**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 or prospectus for a description of the investment allocations as well as the risks associated therewith. Please note that the Company may elect to invest assets in different investment sectors from those depicted herein, which may entail additional and/or different risks. Performance of the Company is dependent on the Investment Manager's ability to identify and access appropriate investments, and balance assets to maximize return to the Company while minimizing its risk. The actual investments in the Company may or may not be the same or in the same proportion as those shown herein.

**Country Specific Disclaimers** The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Fund will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.