POLAR CAPITAL

Polar Capital Technology Trust plc

31 January 2022

Trust Fact Sheet

Ordinary Shares

Share Price	2314.00p
NAV per share	2573.56p
Premium	-
Discount	-10.09%
Capital	134,015,913 shares of 25p

Assets & Gearing [1]

Total Net Assets	£3,449.0m
AIC Gearing Ratio	n/a
AIC Net Cash Ratio	5.35%

Fees [2,3]

Management Fees	
£0 - £800m	1.00%
£800m - £1.6bn	0.85%
£1.6bn - £2bn	0.80%
Over £2bn	0.70%
Performance	10.00% over Benchmark
Ongoing Charges	0.82%

Fund Managers

Ben Rogoff
Partner
Ben has directed 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
Brad Reynolds	Investment Analyst
Paul Johnson	Investment Analyst
Nick Williams	Investment Analyst
Patrick Stuff	Investment Analyst

Fund Awards

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

PORTFOLIO ADVISER FUND AWARDS '20 GOLD SECTOR SPECIALIST

AJBell Awards 2021 TECHNOLOGY/BIOTECH - ACTIVE

LAST WORD

Trust Profile

Investment Objective

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

Key Facts

- One of the largest dedicated tech investment teams in Europe
- Theme-based approach to stock selection
- Looking for the best small, medium or large companies across the globe
- Launched in 1996, it has a multi-cycle track record

Investment Policy

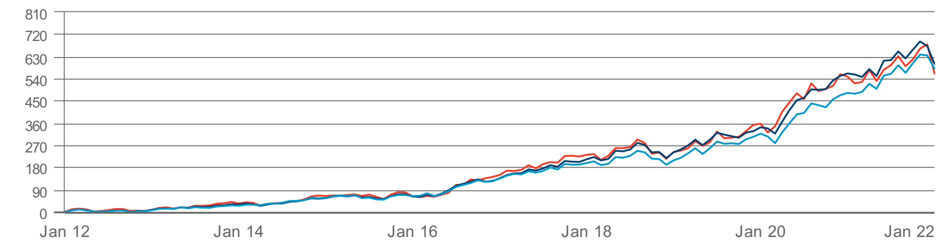
The Company invests its technology assets in a portfolio comprised primarily of international quoted equities which is diversified across both regions and sectors within the overall investment objective to reduce investment risk.

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 10 years (%)



	1 month	3 month	YTD	1 year	3 years	5 years	10 years
Ordinary Share Price (TR)	-15.18	-7.96	-15.18	1.94	92.83	164.61	560.95
NAV per share	-9.33	-7.53	-9.33	5.83	104.64	195.70	599.03
Benchmark	-7.45	-3.18	-7.45	16.65	119.94	189.91	579.75

Discrete Annual Performance (%) [4]

	Financial YTD	29.01.21 31.01.22	31.01.20 29.01.21	31.01.19 31.01.20	31.01.18 31.01.19	31.01.17 31.01.18
Ordinary Share Price (TR)	-2.12	1.94	41.70	33.50	3.45	32.65
NAV per share	3.09	5.83	49.23	29.58	9.08	32.46
Benchmark	9.74	16.65	39.60	35.07	3.62	27.20

Performance relates to past returns and is not a reliable indicator of future returns.
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, total return, Net of Fees in GBP terms.
1. Gearing calculations are exclusive of current year Revenue/Loss.
2. The performance fee is subject to a high watermark 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.

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.

Portfolio Exposure

As at 31 January 2022

Top 10 Positions (%)

Apple	11.1
Microsoft	10.4
Alphabet	8.2
Facebook	3.9
NVIDIA	3.3
TSMC	2.9
Advanced Micro Devices	2.7
Samsung Electronics	2.5
Amazon	1.8
ServiceNow	1.7
Total	**48.6**

Total Number of Positions 112

Market Capitalisation Exposure (%)

Large Cap (>US$10 bn)	89.7
Mid Cap (US$1 bn - 10 bn)	10.0
Small Cap (<US$1 bn)	0.3

Trust Characteristics

Launch Date	16 December 1996
Year End	30 April
Results Announced	Mid July
Next AGM	September 2022
Continuation Vote	2025 AGM
Listed	London Stock Exchange

Benchmark

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

FX Rates

GBP/USD	1.3417
GBP/EUR	1.1968
GBP/JPY	154.5916

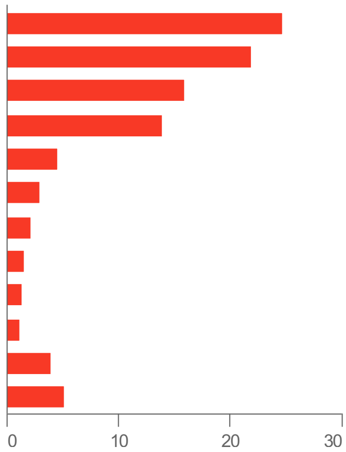
Codes

Ordinary Shares

ISIN	GB0004220025
SEDOL	0422002
London Stock Exchange	PCT

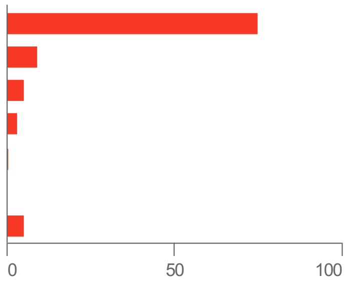
Sector Exposure (%)

Software	24.7
Semiconductors & Semiconductor Equip.	22.0
Interactive Media & Services	16.0
Tech. Hardware, Storage & Periph.	14.1
IT Services	4.7
Internet & Direct Marketing Retail	3.0
Entertainment	2.2
Communications Equipment	1.5
Electronic Equipment, Instruments & Components	1.4
Automobiles	1.3
Other	4.0
Cash	5.1



Geographic Exposure (%)

US & Canada	75.2
Asia Pac (ex-Japan)	9.6
Europe (ex UK)	5.4
Japan	3.5
Middle East & Africa	1.0
UK	0.2
Cash	5.1



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.

Note: Totals may not sum due to rounding. 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.

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

Corporate Contacts

Registered Office and Website
16 Palace Street, London SW1E 5JD
www.polarcapitaltechnologytrust.co.uk

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

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

Fund Manager's Comments

Market review

Global equity markets fell in January, the MSCI All Country World declining -4.2% while the S&P 500 and the DJ Euro Stoxx 600 both declined -4.5% (all returns in sterling terms), marking the worst January return for the SPX since 2008. Meanwhile the NASDAQ 100 (-7.8%) suffered its worst month since Q4 2018 and intra-month had a peak-to-trough drawdown of -16.8% on 24 January.

All in, this reflected the worst monthly performance for US and global equity markets since at least March 2020. Risk-off sentiment permeated markets, driven by elevated inflation, increasingly hawkish central bank commentary, geopolitical tensions (Russia/Ukraine) and a mixed start to earnings season. The CBOE Volatility Index (VIX) spiked +44.2% during the month and reached a peak of 32 on 26 January. Large caps held up better than small caps as investors flocked to more liquid blue-chip stocks – the Russell 1000 Index (large cap) declining -5%, while the Russell 2000 Index (small cap) declined -9%.

The US 10-year Treasury yield increased from 1.51% to 1.78% and real 10-year yields increased 39bps during the month, contributing to the ongoing US rotation. Value outperformed growth globally by the second largest monthly amount in more than 20 years as the MSCI ACWI Value Index returned -0.5% versus the MSCI ACWI Growth Index's -7.9%.

December FOMC minutes played a significant part, revealing that, on top of ending quantitative easing by March and forecasting three rate hikes in 2022, "almost all participants agreed that it would likely be appropriate to initiate balance sheet runoff at some point after the first increase." Furthermore, "the appropriate pace of balance sheet runoff would likely be faster than it was during the previous normalisation episode" (2017-19) to combat persistently high inflation. As the Fed shifts its focus from the employment to the inflation aspect of its dual mandate, markets had to contend with the prospect of a rapid shift from quantitative easing (QE) to quantitative tightening (QT) and swiftly priced in a faster cadence of rate hikes. Since then, both the Bank of England (BoE) and European Central Bank (ECB) have indicated they intend to follow the same path (earlier than markets had expected) largely due to the persistence of inflationary pressures.

December inflation data certainly bolstered rate hike expectations. Headline CPI was +7% y/y in December, the highest increase since 1982. While m/m inflation decelerated from +0.9% in October to +0.8% in November to +0.5% in December, this was largely due to the sharp decline in oil prices, which has since recovered (Brent crude +15.4% in January). The core readings, which exclude food and energy, were higher than expected, jumping +0.6% m/m, which translates into +5.5% y/y gain, the highest since 1991.

A more assertive/hawkish Fed was further supported by the Employment Situation report for December. Non-farm payrolls increased by 199,000, below the consensus forecast at 400,000, but remained indicative of a tight labour market with strong wage gains (average hourly earnings rose +0.6% above the consensus forecast at +0.4%) and near-maximum employment (the unemployment rate declined to 3.9%, below the consensus forecast at 4.1%). Non-farm employment has increased by 18.8 million since April 2020 but is still down by 3.6 million, or -2.3%, from its pre-pandemic level in February 2020 as the labour market participation rate has fallen. It remains to be seen if this trend will reverse as the threat (fear) of Covid hopefully fades, but as yet there is little sign of this.

There are, fortunately, some signs that inflationary pressures are easing. The IHS Markit US Manufacturing PMI continued to decelerate from 55.5 in January, pointing to the weakest rise in factory activity since October 2020. New orders have softened, which has allowed firms to partially work through their backlogs, and while inflationary pressures remained marked, cost inflation eased to the lowest level in eight months. The US ISM Manufacturing PMI decelerated from 58.8 in December to 57.6 in January, consistent with solid growth in manufacturing output, but the lowest reading in 14 months. New orders and production decelerated, impacted by absenteeism caused by the COVID-19 Omicron variant as well as high quit rates. Backlog growth began to normalise, although inventories remain tight, and the ISM data gave a contradictory view on prices – which increased for the 20th consecutive month.

Given the decline in stock markets, the January FOMC meeting at the end of the month was a highly anticipated event for market participants. The primary concern was that the Fed's more aggressive tightening policy could raise the risk of policy error (overtightening).

The yield curve continued to flatten during the month and the difference between 10-year and two-year US Treasury yields hit a new 52-week low (60bps). While Fed officials voted unanimously to leave the Fed funds rate unchanged at 0-0.25%, forward guidance was more hawkish than expected. The Omicron spike in infections and hospitalisations clearly did not sway the Committee, with their statement simply noting that service sectors "are being affected" by the surge in Covid cases. While officials stopped short of saying the economy had reached full employment, the statement described the labour market as "strong" which, together with high inflation, means "the Committee expects it will soon be appropriate" to raise interest rates.

Fed Chair Jerome Powell did not seem overly concerned by the selloff in equities (indicating the Fed put is absent), refusing to rule out a rate hike in March, and a rate hike at every meeting this year, noting there was "a lot of room to raise rates" without hurting the economy. US job vacancies (as measured by JOLTS) currently outnumber people seeking jobs by the largest amount since data began. Following the FOMC meeting, the Fed Funds futures market began pricing in the probability for five rate hikes this year, starting in March. The data may well have to indicate some tempering in inflationary forces for the Fed to avoid tightening actions at consecutive FOMC meetings in March, May and June.

Technology review

The technology sector declined in January as the Dow Jones World Technology Index fell 7.5% helped by the outperformance of mega-cap stocks and benchmark constituents. All major subsectors within the technology sector fell in unison. The SOX Semiconductor Index declined 11.1% while the NASDAQ Internet Index and Bloomberg Americas Software Index recorded losses of 10.9% and 8.6% respectively. Small-cap technology stocks were hit particularly hard, the Russell 2000 Technology Index (small cap) falling 13.5% versus the Russell 1000 Technology Index (large cap) at -7.1%.

Non-profitable technology, recent IPOs and high growth software were among the worst impacted segments (the GS Non-profitable Technology Index -18.8%, GS Recent Liquid IPO index -21.7% in January alone), and the bellwether ARK Innovation ETF fell -19.7%. While uncomfortable, we feel this is a very healthy correction with

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much of the recent excess largely unwound. Almost all these more speculative areas are now showing 12-month declines of more than 50%, with many individual stocks declining much more than this.

As we expected, fourth quarter earnings season has proved largely robust so far (at the time of writing we are still less than halfway through) with strong early reports across five of our eight core themes. The three themes where we are seeing a more mixed picture are unsurprisingly those that had the most demand pull forward during the pandemic (e-commerce, payments and areas of online advertising), all of which we had reduced exposure to in the Trust for this reason. Forward guidance has been particularly disappointing across the internet and payments verticals (largely consumer-driven sectors) as management teams reset growth expectations in what will hopefully be a more normal year, but has been more reassuring across software, 5G, AI and data centres (largely enterprise-driven sectors), as well as strong electric vehicle and high-end (Apple) smartphone demand.

The software sector has proven a resilient area supported by robust enterprise IT budgets and the continued urgency to move towards fully digital enterprise, at the same time confounding fears of a 'pull forward' of demand into 2021. Microsoft produced strong results, beating consensus on all important metrics. Personal computing growth of +15% y/y was a key contributor to the outperformance. Microsoft's Azure business grew +46% y/y, experiencing only a modest sequential deceleration from +50% in the previous quarter, with guidance calling for a re-acceleration next quarter. Microsoft Cloud (Azure, Commercial Office 365, Dynamics 365 and LinkedIn) sustained a +30% y/y growth rate for the third consecutive quarter – incredible given its current $88bn run rate. Security was another highlight as revenue grew +45% y/y and surpassed $15bn over the trailing 12 months.

One of our larger active positions, ServiceNow, and Atlassian followed Microsoft with positive earnings reports. For ServiceNow, large deals and multi-product strength drove the re-acceleration in growth with 99 new >$1m Annual Contract Value (ACV) customers, and an increase in Customer & Employee workflow to 28% of new ACV, demonstrating multi-product strength. Subscription billings growth improved to +33% y/y, up from +27% last quarter, and points to an accelerated growth trajectory for the business heading into 2022. Atlassian also delivered impressive results with revenues of +37% y/y and subscription revenues accelerating for the fourth successive quarter to +64% y/y. Cloud growth of +58% and data centre growth of +83% were the key underlying drivers.

In semiconductors, Advanced Micro Devices (AMD) had fallen in sympathy with Intel* after lacklustre results and guidance from the latter during the month, therefore appearing to detract from performance. Fortunately, a strong beat and raise quarter from AMD in early February led to a rebound with revenue growing +49% y/y. AMD saw a rising contribution from data centre, where both CPU and GPU sales more than doubled y/y (share gains largely from Intel). Gross margins hit 50.3%, up 190bps sequentially, crossing the 50% mark for the first time in more than a decade. The 2022 guidance for more than 30% revenue growth was above consensus, led by the server sector, but with all other segments expected to grow this year. The company indicated it has made significant investments in wafer, substrate and back-end capacity to support this year's growth outlook.

TSMC also reported very strong results, with solid gross margins (GM) of 52.7% and operating profit ahead of expectations. Guidance was revised upwards with 2022 revenue growth expected to be "high 20s" with GM 53% and capex guidance significantly increased to $42bn from $33bn. While this should be a big positive for semiconductor capital equipment (SPE) vendors such as LRCX* and our holdings in ASML and KLAC, many of these companies remain supply constrained. The positive is that this likely means a sustained period of strength, with more limited ability for the semiconductor industry to add excessive supply.

On the memory side, Samsung reported a solid quarter citing strong server and high-end PC demand and offering an upbeat outlook with signs of a recovery in DRAM and expectations of strong server and graphic DRAM demand. In another sign that data centre demand remains healthy, hard drive leader Seagate reported a strong quarter and while seasonality and supply constraints limit the March quarter revenue trends, they raised 2022 revenue guidance from low double digits to 12-14%, citing data centre demand and robust cloud capex.

Turning to the internet, Netflix opened the earnings season with a high-profile disappointment. Q4 paid-subscriber additions essentially came in line with guidance at 8.3 million, but forward quarter outlook at just +2.5 million net additions was significantly below consensus of +6.9 million. Management cited a more back-end weighted content slate in Q1, price increases in the US and Canada and customer acquisition growth that has not yet reaccelerated to pre-Covid levels. FY 2022 operating margin guidance of 19-20% further disappointed expectations for +300bps per year margin expansion. Growing engagement and declining churn were positive points in the quarter, but guidance weighed on the stock price and we cut exposure due to an uncertain subscriber growth trajectory as the economy reopens.

Alphabet (Google) blew past expectations with the Search business being the key driver of the strong quarter. The retail sector was once again the largest contributor to ad revenues with the holiday shopping period starting earlier than usual last year. Total revenues grew +32% y/y led by Search at +36% and Google Cloud at +45%, albeit with slightly disappointing +25% growth at YouTube. The incredible $14bn increase in Revenue Performance Obligation (RPO) to $51bn for Google Cloud highlights the strong momentum the business retains heading into 2022. Further positives included TAC expense being down y/y for the third consecutive quarter and $13.5bn of share repurchases.

Meta (Facebook) grew revenue +20% y/y during the quarter, but disappointed on the lack of user growth and engagement trends. Meta also provided forward guidance significantly below expectations with weak Q1 guidance for revenue growth of +3% to +11%, with both impression growth and pricing headwinds contributing. Reels, Facebook's short-form video product, is currently the fastest growing content format on the platform but higher engagement on Reels will be cannibalistic to higher-monetising surfaces such as Newsfeed and Stories. Guidance for further IDFA (Apple iOS 14.5)-related targeting headwinds further weighed on the stock, especially once it was obvious that competitors such as Snapchat are over the worst. Our concern is while Meta stock looks good value, there may be a further risk to earnings if the competitive threat (from TikTok, Snapchat and the like) worsens. Fortunately, post-month end, Snapchat reported a much better quarter which allayed fears that these were industry-wide issues so we reduced our Meta position and used the proceeds to increase our Snapchat exposure.

In payments, again the picture was mixed. Mastercard delivered +27% net revenue growth, above consensus. Volumes, switched transactions and cross-border payments all accelerated from 3Q21. The resilience of cross-border and travel volumes despite the surge of COVID-19 cases due to the Omicron outbreak gave management confidence to reiterate their expectation that cross-border travel can return to 2019 levels by the end of this year – a material positive. Mastercard issued initial guidance for FY22 and 1Q22 in line with medium-term investor day targets of high teens top-line growth. If the impact of Omicron proves to be short-lived and current trends hold then these forecasts could certainly prove to be conservative.

PayPal (* held but subsequently sold) disappointed with an unexpected user strategy pivot and total payment volumes below expectations. Revenues for the quarter were in line at +13% y/y and positively impacted by a stronger take rate. Unfortunately, 2022 guidance fell short with continued eBay roll off, tough compares, supply-chain issues, weakness around spending in lower income cohorts and the effects of inflationary pricing all to blame. The biggest negative surprise was the abrupt change in strategy with 2022 net new active user guidance of 15-20 million (versus expectations of >50 million) and removal of a target of 750 million users by 2025. The Trust exited its small remaining position in PayPal because of concerns the market may be more penetrated than we previously believed (new users' economics less attractive) and competition, which remains intense.

In hardware, Apple was one of the few pandemic/stimulus beneficiaries not seeing demand normalise as economies return to normality. Apple reported revenues and EPS ahead of expectations, despite component shortages (the iPad experiencing the most severe impact). The Mac and Services segments provided two of the biggest positive surprises in the quarter. M1-powered devices led to a record upgrade of Macs, growing +25% y/y. In Services, the deceleration forecast by management ended up being a very modest -2 percentage points for growth of +24% y/y. Advertising revenues were cited as a key contributor. Guidance for "solid" y/y revenue growth in the next quarter despite continued supply constraints boosted the stock versus expectations for revenue to be broadly flat.

Outlook

Violent gyrations in equity markets reflect heightened uncertainty regarding the investment backdrop and the implications of the material changes in central bank policy around the globe. Stubbornly high inflation and a strong labour market recovery in the US has pulled forward expectations for interest rate rises and the onset of tighter financial conditions. Six months ago, there was no expectation for US interest rises in 2022, and only one expected in 2023. Today, expectations are for five increases this year, followed by three more in 2023. What started in the US is broadening to include the BoE (UK) and ECB (Europe). As a result, 10-year bond yields are rising, and there has been a concurrent compression in valuation multiples, particularly for longer duration assets such as growth equities. That said, overall financial conditions remain easy by historical standards.

The path of inflation combined with the monetary/fiscal policy response likely remains the key driver for global equities, but here there are promising signs. Future inflation expectations suggest the market now believes central banks are no longer behind the curve and that some (not all) of the inflationary pressures – particularly those linked to supply constraints – may ease in the second half of the year. The labour market remains tight and without an improved labour force participation rate (possible as Covid fears fade and related financial support safety nets are removed), wage inflation is likely to remain stubbornly high, particularly in the face of rising energy prices. We will be watching this data closely because the closer we get to peak inflation and interest rate expectations, the sooner valuation multiples should begin to stabilise, as long as a policy error does not presage a growth scare or worse.

Returns can vary hugely, but over a cycle, we believe portfolio returns are largely driven by the blended underlying revenue/cash flow growth rate of our holdings, which have historically been between 15-25%. We recognise near-term absolute valuation multiples appear dependent on the bond yield and inflation outlook. For example, if the 10-year US Treasury yield remains below 2% then we are probably getting closer to a stabilisation in multiples which should allow the underlying growth of our holdings to drive returns over the balance of the year. That said, if yields were to surge through 2.5%, there will likely be further headwinds offsetting some of the portfolio's underlying growth. The pace of the bond move will matter too, as a rapid spike would likely drive another downward move in valuations and stocks, whereas a more gradual trajectory could see stocks instead grow into their multiples.

The good news is many of the pockets of exuberance/excess we have been highlighting (ARK, SPACs, recent IPOs, crypto and ultra-high growth stocks) have corrected or are correcting sharply, giving up much if not all of their pandemic-era outperformance. We have not (yet) seen retail capitulation (retail flows have remained positive YTD), or material thematic ultra-growth fund/thematic ETF outflows, both of which may yet be required for markets to really bottom out. However, measures of investor sentiment are very negative now, and the January Bank of America Fund Manager Survey showed allocations to the technology sector at the lowest point since 2008, which could provide a supportive backdrop.

What continues to underpin our confidence are technology fundamentals and secular drivers that appear firmly intact. Q4 earnings season is underway, and based on results so far, five of our eight core themes are looking robust. That said, the three themes which experienced the most significant 2020 benefit (e-commerce, payments and digital entertainment-related stocks, including Netflix) are still suffering uncertainty over what normal growth rates will be for 2022. While we reduced the Trust's exposure to these consumer-oriented areas of spending, particularly to payments and Meta, we still believe these remain compelling long-term themes and have added to other stocks such as Snapchat. However, until we get more clarity regarding growth prospects as the global economy reopens, we remain conservatively positioned here.

Elsewhere it is clear that enterprise demand remains healthy and digital transformation remains a high priority for investment. Cloud momentum also remains very strong: Amazon, Microsoft and Alphabet's combined cloud revenues reached a $125bn run rate during Q4, growing +43% y/y. There have been some excellent software results (including Microsoft and ServiceNow), while cloud, data centre, 5G, security, electric vehicle and AI-related spending all appears to be robust (and in some cases accelerating). This is no surprise to us; technology is part of the solution to many of the problems we now face, including ESG-related issues as well as the need to drive productivity gains during the tightest labour market in a generation. As a result, although we have retained NDX put options (we locked in gains during recent weakness) to soften the portfolio beta should the correction prove incomplete, we are beginning to cautiously add to our preferred growth stocks, including small positions in new stocks. We are using large caps and cash/liquidity as a source of funds, and with risk/reward improving, we have returned the Trust to a more fully invested position.

*Not held

Ben Rogoff

7 February 2022

Important Information

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Investor Rights A summary of investor rights associated with an investment in the Company can be requested via email by contacting Investor-Relations@polarcapitalfunds.com.

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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.

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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.

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