Trust Fact Sheet

30 December 2016

Trust Facts

Ordinary Shares

Share Price	846.50p
NAV per share	826.15p
Premium	2.46%
Discount	-
Capital	132,336,159 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£1,093.3m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	1.12%

Benchmark

Dow Jones World Technology Index Total Return adjusted for withholding taxes (from 1 May 2013)

Fees [2,3]

Management	1.00%
Performance	15% over Benchmark

FX Rates

GBP/USD	1.2357
GBP/EUR	1.1715
GBP/JPY	144.1200

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 capital growth for shareholders through investing in a diversified portfolio of technology companies around the world.

Investment Rationale

Over the last three 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 broader market, reflecting the longer-term secular uptrend in technology spending.

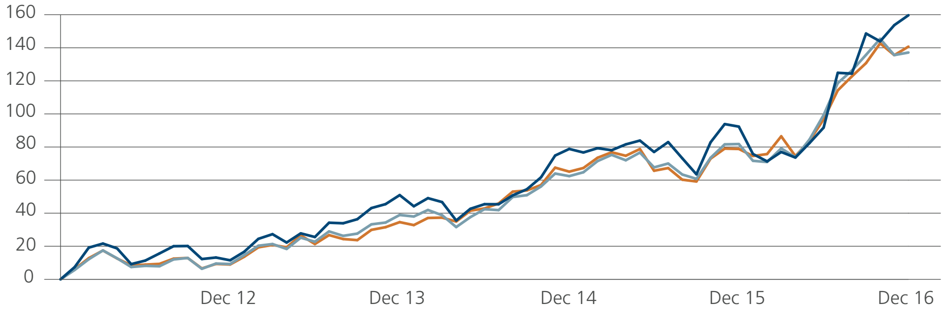
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

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, and exploiting international valuation anomalies and sector volatility.

Performance

Performance over 5 years (%)



	1 Month	3 Months	6 Months	1 Year	5 Years
Ordinary Share Price	2.36	4.44	35.44	35.01	159.66
NAV per Share	0.66	0.60	18.96	30.43	139.44
Benchmark	2.19	4.33	22.36	34.59	140.69

Discrete Annual Performance (%)

	30/04/16 30/12/16	30/04/15 30/04/16	30/04/14 30/04/15	30/04/13 30/04/14	30/04/12 30/04/13
Ordinary Share Price	49.56	-4.39	33.94	10.92	2.97
NAV per Share	36.43	1.05	30.71	11.17	5.01
Benchmark	37.92	-0.11	29.46	13.07	5.98

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. Management fee is 1% of net assets up to £800m and 0.85% on assets over £800m.
3. The performance fee is subject to a highwater mark and cap. Further details can be found in the latest Report and Accounts.

Awards & Ratings

Polar Capital LLP 16 Palace Street, London, SW1E 5JD

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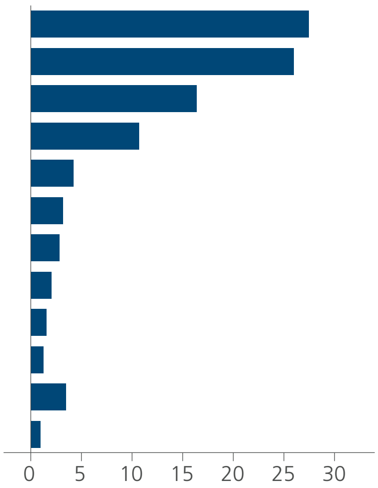
Polar Capital Technology Trust plc

Portfolio Exposure

As at 30 December 2016

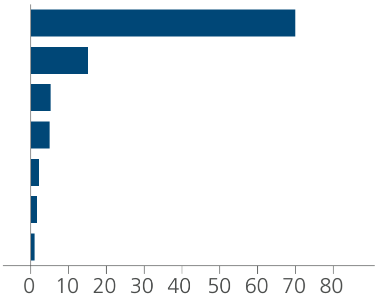
Sector Exposure (%)

Software	27.4
Internet Software & Services	26.0
Semiconductors & Semiconductor Equip.	16.4
Tech. Hardware, Storage & Peripherals	10.7
Internet & Direct Marketing Retail	4.2
Elec. Equip. Instruments & Components	3.2
IT Services	2.9
Communications Equipment	2.0
Healthcare Technology	1.5
Machinery	1.2
Other	3.5
Cash	0.9



Geographic Exposure (%)

US & Canada	70.0
Asia Pac (ex-Japan)	15.1
Japan	5.2
Europe (ex UK)	5.0
UK	2.1
Middle East & Africa	1.6
Cash	0.9



Top 15 Holdings (%)

Alphabet	9.0
Microsoft	6.4
Facebook	5.6
Apple	5.5
Samsung Electronics	3.5
Amazon	3.1
Tencent	2.4
Alibaba Group Holding	2.2
Intel	1.8
Splunk	1.7
Advanced Micro Devices	1.6
Texas Instruments	1.5
Adobe Systems	1.5
Salesforce.com	1.4
TSMC	1.3
Total	**48.5**

Total Number of Positions 125

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	67.5
Mid Cap ($1bn - $10bn)	25.0
Small Cap (<$1bn)	7.5

The Fund holds Twitter and AMD call options with total aggregated premium representing 12 bps of NAV and delta adjusted exposure of 0.45%. The delta adjusted impact of these options is only reflected in the top 10 positions table all other exposure tables are based on MTM figures.

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 June
Next AGM	September 2017
Continuation Vote	2020 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 30 December 2016

Market review

Equity markets were strong in December; the FTSE World Index rising 3.5% in Sterling terms (GBP), as investors continued to adjust positioning to reflect the "reflationary" policies of Donald Trump and the Republican party. It is now the consensus view that tax, regulation, repatriation and trade policies will change substantially after the new US President takes office on 20 January 2017 – mostly to the benefit of the US economy and equity markets, against an already strengthening global economic backdrop. In December, the JP Morgan Global PMI hit an 11-month high, implying global GDP growth of above 2% (for the first time in 2016). The US manufacturing PMI hit a 21-month high of 54.2 and the Non-Farm Payrolls saw a robust 178k jobs created in November, accompanied by a further fall in unemployment rate. Chinese economic data was solid and Eurozone economic indicators again signalled strong expansion. As such, it was no surprise that the US Federal Reserve raised the target for its federal funds rate by 25bps (to 0.5-0.75%), signalling three further rate rises in 2017 (above market expectations) whilst upgrading its view on both labour market prospects and short-term GDP growth.

Against this already strong backdrop, incoming Treasury Secretary Steven Mnuchin has pledged to "reignite" US growth and argued that the US should strategically target higher growth rates than it has done in the past. If inflation expectations can remain under control, this could be a very supportive backdrop for US equities. December saw a continuation of the post-election jump in US Treasury yields, which ended the year at 2.5% reflecting stronger US growth prospects and triggering some rotation from bonds to equities. The US Dollar also continued to break out against a basket of currencies. Recent research from Morgan Stanley estimates that the dispersion between sectors (rather than within sectors), which provides an indication of the magnitude of rotation across markets, is at the 98th percentile, the most extreme since the series began in 2005. Elsewhere, Crude Oil rallied as OPEC announced it would reduce output by 560k barrels per day. The Eurozone's slow-burn political crisis continued as Italy voted to reject constitutional reform, prompting the resignation of Prime Minister Matteo Renzi. The Italian government also announced a EUR 20bn rescue fund to provide emergency liquidity and recapitalise insolvent banks after Banca Monte dei Paschi di Siena failed to raise sufficient capital privately.

Technology review

Technology lagged the broader market over the month, with the Dow Jones World Technology Index returning only 2.2% (in GBP terms), as investors rotate away from technology into financials and industrials (the "Trump trade" or "reflation trade"). Within that we saw a further rotation away from growth into value, creating an incremental headwind to our NAV performance, which came in at 0.7% for December. In fact, almost the entirety of our relative underperformance for the calendar year has come in Q4'16, which saw the Fund give up c. 370bps against our benchmark, having tracked modestly ahead for much of the year. Sub-sector performance highlighted the extent of the divergence, with the Philadelphia Semiconductor (SOX) Index rising 4.4% in December (bringing full-year gains to 63.1%) while Internet stocks lagged, the Dow Jones Internet Index advancing only 0.7% in the month (and 24.8% for the calendar year).

One important reason why the technology sector has underperformed broader markets since the US presidential election is the uncertainty around key policy issues such as immigration and global trade. The President Elect has also been critical of technology companies, many of which were seen as Clinton supporters. However, markets were reassured by his 14 December meeting with US technology leaders, where he moved to a more conciliatory tone ("This is a truly amazing group of people… I'm here to help you folks…"). He also appointed Tesla CEO Elon Musk and Uber CEO Travis Kalanick to his Strategic and Policy Forum.

Despite the rotation in financial markets, data points for next-generation technology companies were generally good in December. Amazon* was a case in point. At its flagship re:Invent conference, Amazon announced 15 new product releases and expanded its Prime Video to over 200 countries, at no additional cost to Prime members. Amazon released a video of its concept for future Amazon Go stores, a new grocery store format that leverages machine learning, computer vision and artificial intelligence to further disrupt traditional retail. It was also revealed that Amazon are building an "uber-like" app to connect shipments and truck drivers – going after an US$800bn addressable market. Furthermore, Software as a Service (SaaS) giant Salesforce.com* moved itself closer to Amazon with an initial agreement to deliver Salesforce's Sales Cloud, Service Cloud, Community Cloud and Analytics on AWS in Canada, with other countries to follow.

Alphabet* came closer to monetising its Google Maps app (which has over 1bn Monthly Active Users (MAUs)), as Starbucks and Walgreens began testing "promoted places" within Maps. Bloomberg ran a story on Alphabet's CFO Ruth Porat, reaffirming the narrative on cost discipline that she is bringing to the Internet giant. In its October quarter Alphabet's operating margin already showed progress, increasing by over 100bps. Facebook* had a mixed month. Facebook's Instagram app hit 600 million MAUs, doubling in just two years (with MAU growth accelerating in the last 12 months). However, the company became the latest target of EU Competition Commissioner Margrethe Vestager, as it was accused of providing misleading information in its US$22bn takeover of WhatsApp. Asian data points were supreme. Softbank CEO Masayoshi Son revealed that Softbank's US$100bn tech fund was oversubscribed, and announced his plan to invest US$50bn in the US start-up community. Tencent* revealed statistics on its WeChat app, logging over 750 million daily active users, with 50% of WeChat users engaging with the app for at least 90 minutes a day. Nintendo's* Super Mario Run was downloaded 37 million times and produced US$14m of revenue in its first three days, according to App Annie.

Despite short-term share price bounces, fundamental news flow was again weak for legacy companies, which look increasingly exposed to the new technology cycle. Oracle* license revenue fell 19% in constant currency terms, significantly worse than company guidance, while cloud billings missed expectations with a third consecutive quarter of growth deceleration. Accenture** missed and guided down, due to weakness in US energy and natural resources. Amongst next generation stocks, off-quarter results were limited in number and mixed, with some stock specific disappointments. Workday* guided down on deal slippage and slow traction in its Financials product. Red Hat* missed, citing Federal delays, FX weakness and changing billings terms (they have since announced one of their largest ever US Federal deals) but Adobe* and Autodesk** both reported robust quarters with strong subscriber metrics and little sign of any election related pause in spending.

Outlook

Although fourth-quarter performance was disappointing, we remain constructive and see significant opportunity within the technology sector in 2017. An improving global macro outlook and a falling US corporate tax rate has increased the appeal of other sectors, but strong growth prospects and compelling valuations suggest many technology stocks could prosper in 2017. We have no doubt that the pace of innovation in our sector is accelerating – enabled by the ubiquity of smartphones and the growth of cloud computing – allowing the sector to attack the profit pools of many other traditional industries (media, travel, retail, manufacturing and automotive

Fund Manager Comments

As at 30 December 2016

to name a few). Technology is changing both consumer and enterprise behaviour, and next generation companies (not easily accessible via ETF's) should be the major beneficiaries of this change. If our thesis is correct, it will provide a multi-year tailwind to the Fund given our growth bias, at a time when technology indices may be weighed down by smartphone maturity and exposure to legacy technologies (suffering from cloud deflation).

As an indication of technology's growing reach, the two most searched items globally on Google in 2016 were 'Pokémon Go' and the 'iPhone 7' (Donald Trump came third). Tencent's December disclosure that half of all WeChat users use the app for over 90 minutes a day was a staggering data-point that should not be dismissed lightly. Many larger Internet companies have suffered from valuation de-rating for several years (in particular Alphabet, Facebook, Tencent and Alibaba) yet we believe the cost and price benefits accruing to those with scale are not fully appreciated. We also expect very robust revenue growth from many of our small/mid-cap holdings – if valuations can hold at current levels this should translate into strong absolute and relative returns. While the fourth-quarter de-rating of growth stocks was frustrating, it has led to a significant narrowing of the premium paid for growth. With incumbents' fundamentals still under pressure and a US repatriation deal (for overseas cash) likely, we expect 2017 to be another robust year for M&A activity (the Trust has eight holdings acquired during 2016, most at significant premiums).

In terms of risks, the greatest risk to our sector – that of a US recession – has clearly diminished. We continue to watch US/China relations closely, but believe a trade war is in neither side's interest. The US Dollar hit a 14-year high in December; providing a tailwind to returns for many of our local investors and we expect a stronger US economy and political stability – relative to Europe's slow-burn political crisis (and Brexit negotiations) – to support a continuation of this trend. In summary, we believe that our portfolio of US-centric, next-generation technology companies is in excellent shape. We look forward to 2017 with a great deal of optimism, although given our sector appears "out of favour" at present, it may require patience for investors to fully appreciate the unique growth potential our sector has to offer.

Our core secular growth themes remain e-commerce, digital marketing, cyber security, cloud infrastructure, digital payments and games software while we have recently increased our exposure to artificial intelligence, automation/robotics and selected payments/commerce and high growth software as a service SaaS stocks.

*Held

**Not held

Ben Rogoff

12 January 2017

Polar Capital Technology Trust Management Team

Ben Rogoff

Director, Technology

Ben has managed the Trust since 2006, he joined Polar Capital in 2003 and has 21 years of industry experience.

Nick Evans - Senior Fund Manager

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

Bradley Reynolds - Investment Analyst

John Gladwyn - Investment Analyst

Paul Johnson - 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 World 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.

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.

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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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