

Fund Manager Comment

Market review

Although it was a volatile month, November saw equity markets add modestly to their year-to-date gains, with the FTSE World Index closing up 1.6% in sterling (GBP) terms. The month began with a decisive victory for President Obama after what had appeared a relatively closely run race for the White House. With the election concluded, investor attention quickly shifted to the need for policy makers to reach agreement on reducing the budget deficit ahead of the 1 January 2013 'fiscal cliff' deadline. Initial post election rhetoric was hardly encouraging, with an emboldened President expressing hope of reaching a compromise whilst at the same time adopting a tougher stance himself. This fiscal uncertainty combined with expectations of increased US capital gains tax in 2013, escalating conflict in the Middle East and Superstorm Sandy negatively impacted corporate and consumer confidence in the US. Fortunately, political developments in China and Japan were taken more positively, with expectations of renewed Chinese stimulus in 2013 and talk of a weaker yen policy from the Bank of Japan revitalising Asian markets. European stocks also fared better with the IMF and Eurozone finance ministers approving the next tranche of Greek aid, although the timing of a Spanish bailout request remains uncertain for now.

Technology review

Despite the underperformance of US equities, the technology sector outpaced the broader market during the month, the Dow Jones World Technology index rising 2.4% in sterling terms. Third quarter technology earnings ended on a more upbeat note, with solid results from companies such as Cisco, Salesforce.com (bookings +31% y/y), Qualcomm, Network Appliance and Aruba. That said, newsflow was not universally positive with weaker reports from PC vendors Dell and Hewlett Packard as both missed consensus estimates despite muted expectations. Elsewhere, enterprise-related software companies such as Citrix and TIBCO also faltered, blaming a combination of internal execution, macro weakness and softer US federal spending. The Fund benefitted from overweight positions in internet and communications equipment sub sectors, with strong e-commerce activity around Thanksgiving weekend (benefitting Amazon, Ebay/Paypal and Google) and improving tone from the communications equipment supply chain following both AT&T's and DT/T-Mobile's plans to increase capex (largely due to 4G/LTE adoption). Encouragingly small-caps outperformed large-cap peers, ameliorating some of their year-to-date underperformance.

Outlook

The global economy continues to 'muddle through' with policymakers proving acutely aware of what is required of them, evidenced by extremely loose monetary policy in most major economies, and recent interventions/commentary in Taiwan and Japan. With the Presidential campaign and Chinese leadership decision behind us, the next significant hurdle is the so-called US 'fiscal cliff'. While we anticipate much posturing and political horseplay we remain hopeful that a solution can be fashioned ahead of the 1 January deadline, or shortly after in the event that a compromise cannot be found before automatic cuts are triggered. In the meantime, fiscal uncertainty appears to be weighing on decision-making and capex/spending decisions for businesses and consumers alike, evidenced by the latest earnings releases and feedback from a number of the companies we have recently met. However, at some point over the coming months this uncertainty should abate, which should provide a more stable backdrop for equities and other risk assets.

Turning to our sector, while market capitalisation-weighted technology indices are likely to be heavily influenced by the performance of Apple, we see potential for stealthy outperformance of small and mid-cap stocks which until recently have been 'crowded out' by a 'top-down' dynamic (so-called 'stores of wealth') that appear to have limited validity in the technology domain, given the risk to incumbents posed by the new technology cycle. This view is based on our long-held belief that limited IT budget growth is driving a reallocation of spending towards new, disruptive technologies that help deliver 'more for less'. This is necessary in order for enterprise IT departments to cope with the inexorable growth in their compute, storage and bandwidth needs. This rotation of spending is continuing to benefit those companies that help deliver new technologies, such as unified communications, mobile computing, software as a service (SaaS), cloud computing and solid state storage. Recent PC industry data (which has been so poor that it cannot be explained away solely by a more challenging economic backdrop) is supportive of our budget re-allocation thesis and points to secular decline in both enterprise and consumer PC spending. Indeed, early interest in Windows 8 appears lacklustre at best (similar to the disappointing Vista upgrade cycle) while Microsoft's new Surface RT tablet has received only mixed reviews as compared to cheaper and more compelling alternatives from Apple and Google.

Having been too early with our overweight stance on communication equipment providers, recent evidence of improving service provider capital spending trends appears to auger well for 2013. We expect the move to 4G/LTE wireless and 40/100G core networks to lead to increased carrier spending globally, a view supported by a number of companies that we have recently spoken with. While we expect macroeconomic headwinds and associated market volatility to persist, we are hopeful that 2013 will prove another good year for equity markets. It should also prove a better one for bottom-up stock pickers as investor confidence continues to be steadily rebuilt, a necessary precondition for a broadening market. We continue to see good opportunities within our sector due to the combination of compelling product cycles, significant revenue growth potential, strong balance sheets and undemanding valuations.

Ben Rogoff, 11th December 2012

30 November 2012

Fact sheet

Trust Facts

Ordinary Shares

Share Price (p)	369.00
NAV (undiluted) per Share (p)	381.64
Premium (%)	-
Discount (%)	3.31
Capital Structure	128,219,920 shares of 25p

Subscription Shares¹

Share Price (p)	7.75
Exercise Price (p)	
- From 1 April 2012 to 31 March 2014	478.00
Capital Structure	24,786,282 shares of 1p

Total Net Assets (£m)	490
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 2012
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

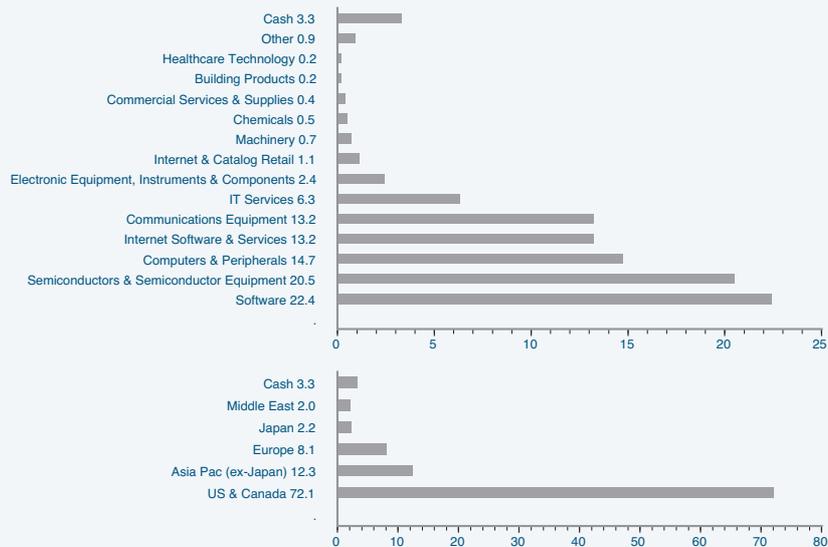
The investment objective is to maximise capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

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.

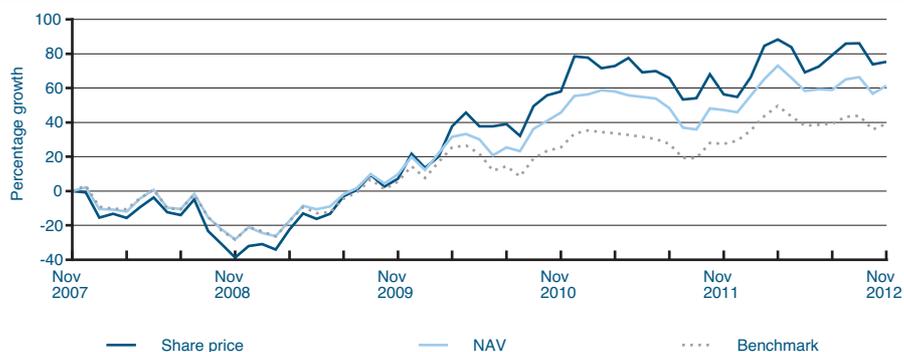
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Fact sheet

Sector & Geographic Exposure (%)



Performance Over 5 Years



Share Price & NAV per Share Over 5 Years



Cumulative Performance (%) to 30/11/2012

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	0.82	-5.70	3.65	12.16	75.30
NAV per Share	2.99	-2.23	1.94	9.62	61.33
Benchmark	2.55	-2.85	0.79	9.19	39.22

Discrete Annual Performance (%)

	30/04/12 30/11/12	28/04/11 30/04/12	30/04/10 28/04/11	30/04/09 30/04/10	30/04/08 30/04/09
Share Price	-4.65	3.61	21.74	67.65	-4.06
NAV per Share	-2.78	6.59	16.88	45.63	-4.42
Benchmark	-2.94	8.12	4.87	39.63	-5.45

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

Total Number of Holdings 125

Top Ten Holdings (%)

Apple	11.1
Google	5.5
Samsung Electronics	4.2
Microsoft	3.6
IBM	3.5
Qualcomm	3.1
TSMC	2.5
Oracle	2.4
SAP	2.1
Cisco Systems	2.0
Total	40.0

Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	65.7
Medium (US\$ 1bn to 10bn)	24.1
Small (less than US\$ 1bn)	10.3

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

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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 has been a technology specialist for fourteen years having begun his career in fund management at CMI, as a global technology analyst. He moved to Aberdeen Fund Managers in 1998 where he spent four years as a senior technology manager prior to joining 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. 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 thirteen 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 Aug 2001 to July 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 graduated from Hull University with a degree in economics.

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 medical technology sub-sector. Fatima graduated from Imperial College London in 2002 with a degree in Medicinal Chemistry.

Colin Moar - Fund Manager

Colin joined Polar Capital in January 2011, having spent 13 years covering pan-European and then Global Equity markets with the Technology sector as his main focus. 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 Graduated from the University of Edinburgh with a degree in Business Studies.

Xuesong Zhao - Fund Manager

Xuesong joined Polar Capital in May 2012, having spent most of the previous four years working as an investment analyst within the Emerging Market & Asia team in 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, an IBM company, in 2005. He holds an MSc in Finance from Imperial College Science & Technology and a BA (Hons) in Economics from Peking University and is a CFA charter holder.

How to Invest

Market Purchases

The shares of Polar Capital Technology Trust PLC are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

The company has arranged for Shareview Dealing, a telephone and internet share sale service offered by Equiniti to be made available.

Tel: 0870 850 0852
Online: www.shareview.co.uk/dealing

Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme and an ISA administered by Alliance Trust Savings Scheme, by contacting Alliance Trust.

Tel: 0800 326 323
Online: 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

Codes

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

Website

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.

Important Information

All sources Polar Capital unless otherwise stated. It is not a recognised scheme under s.76 of the Financial Services Act 1986 and its promotion is restricted to persons permitted by the Financial Services (Promotion of Unregulated Schemes) Regulations 1991.

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Holdings

The top 10 positions were selected based on percentage of AUM. This 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 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 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 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, the index noted in this presentation is unmanaged, are not available for direct investment, and is not subject to management fees, transaction costs or other types of expenses that the fund may incur. In addition, the performance of the index 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 index is included merely to show the general trends in the periods indicated and is not intended to imply that the fund was similar to the index 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 Services Authority ("FSA") 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, 4 Matthew Parker Street, London SW1H 9NP.

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. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount originally invested. Where investments are made in emerging markets, unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, or the income from, the investment. 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.