

## 30 April 2010

### Fact sheet

#### Fund Manager Comment

##### Market review

April got off to a strong start but the early gains were erased late in the month as equities corrected sharply, leaving the FTSE World Index down 1.0% in Sterling terms. Whilst mixed economic data was shrugged off early in the month, risk aversion began to move sharply higher as the SEC fraud lawsuit against Goldman Sachs prompted fears of increased regulatory risk. This was soon compounded by disappointing Chinese manufacturing data and a sharp correction in the Shanghai Composite Index. More recently the rapidly deteriorating fiscal situation in Greece has added further fuel to the fire, as unpalatable austerity measures resulted in violent protests driving fears of contagion and further pressuring the Euro. Whilst the initial spotlight was focused on Greece after Standard & Poor's downgraded their sovereign debt to Junk status, Portugal and Spain quickly came into focus as investors began to question their ability to weather the storm without support from the ECB or the IMF. Whilst it is too soon to know whether ECB support will prove sufficient to prevent default or a debt restructuring, recent events are likely to act as a reminder for many investors that painful fiscal adjustments are likely to significantly drag on growth in many developed world economies over coming years.

##### Technology review

First quarter earnings season is now largely complete and has been one of the best we can remember for technology fundamentals, with the sector enjoying the strongest earnings revisions of all the major sectors, excluding financials. Whilst technology stocks outperformed the broader market The Dow Jones World Technology Index rose 1.1% in Sterling terms, gains were relatively muted as investors yet again 'sold the news'. Whilst fundamental improvement was broad based with multiple references to early signs of an enterprise spending pick up or PC 'refresh', our new cycle thesis was well supported with some of the strongest reports coming from next-generation companies (including VMware, F5 Networks and Isilon) whilst a number of incumbents delivered lacklustre results. Moreover, another exceptional quarter from our largest holding, Apple was in stark contrast with the ongoing travails at Nokia demonstrating better than ever our prose about the disruptive nature of new technology cycles.

##### Outlook

Equity markets have corrected sharply from overbought levels, particularly in Europe but further downside is certainly possible. Since the month end declines have continued with the semiconductor sector selling off aggressively as weak holders have been shaken out by macro concerns and the view that with inventory levels increasing the best for cyclical companies is behind them. We remain overweight the semiconductor sector and expect a similar pattern to the first quarter, with investors selling into what they believe will be the peak quarter only to discover that the second and third quarters come in ahead of expectations due to steadily improving demand. Inventory levels have increased, but only from unsustainably low levels and if demand continues to improve further restocking is likely to be required. Supply constraints, industry consolidation and capital discipline are actually supporting pricing even in commodity technologies and as long as demand is robust we expect this to continue.

Having raised and retained a modest amount of liquidity as the markets headed inexorably higher, we have begun to deploy it as we do not think the current crisis will spread beyond the Eurozone periphery and as such regard the sell-off as a buying opportunity. Inflation remains well under control and wages are very unlikely to create a problem for some time, indicating that interest rates may remain low for longer than many investors believe. Against this backdrop there is scope for some further market PE expansion, but more importantly we expect genuine growth (organic, rather than acquired or financially engineered) to be rewarded by investors faced with a paucity of alternatives once the so-called 'new normal' (multi year sub-trend growth) materialises. Absent of some substantially new negative news, we will be using further weakness to move to a fully invested stance.

Ben Rogoff, 11 May 2010

#### Trust Facts

Share Price (p)	306.80
NAV per Share (p)	315.10
Discount (%)	-2.63
Total Net Assets (£m)	399
AIC Gross Gearing Ratio (%)*	107.00
AIC Net Gearing Ratio (%)*	97.00
Capital Structure	126,497,914 Ordinary shares of 25p

\*Gearing calculations are exclusive of current year Revenue/Loss

#### Trust Characteristics

Launch Date	16 December 1996
Lead Manager	Ben Rogoff
Deputy Manager	Craig Mercer
Year End	30 April
Results Announced	Mid June
Next AGM	July 2010
Continuation Vote	2010 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
Total Expense Ratio (historic)	1.31%

\* Further details can be found in the Report & Accounts

#### 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.

##### 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

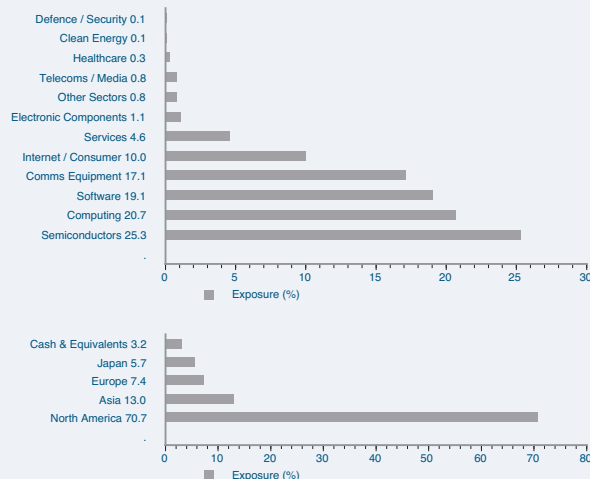
Polar Capital selects companies for their potential for generating capital growth, not on the basis of technology for its own sake. We believe in rigorous fundamental analysis and focus on: management quality, the identification of new growth markets, the globalisation of major technology trends, and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

**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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## Sector & Geographic Exposure (%)



**Total Number of Holdings** 113

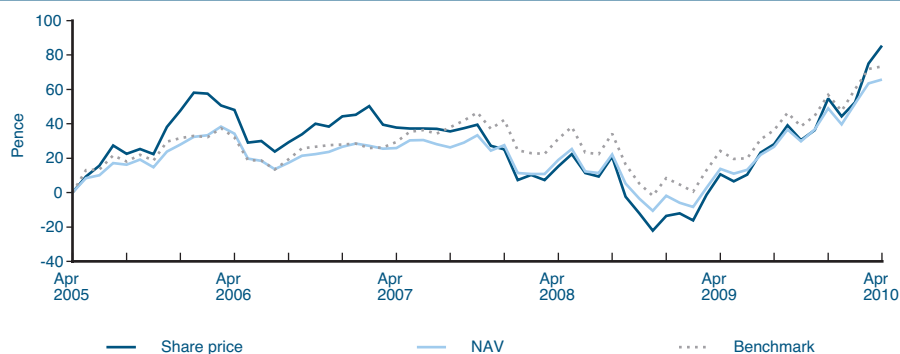
## Top Ten Holdings (%)

Apple	7.5
Microsoft	5.2
Google	3.7
Cisco Systems	3.5
International Business Machines	3.4
Intel	3.1
Oracle	2.7
Samsung Electronics	2.6
Hewlett-Packard	2.4
Canon	1.9
<b>Total</b>	<b>36.0</b>

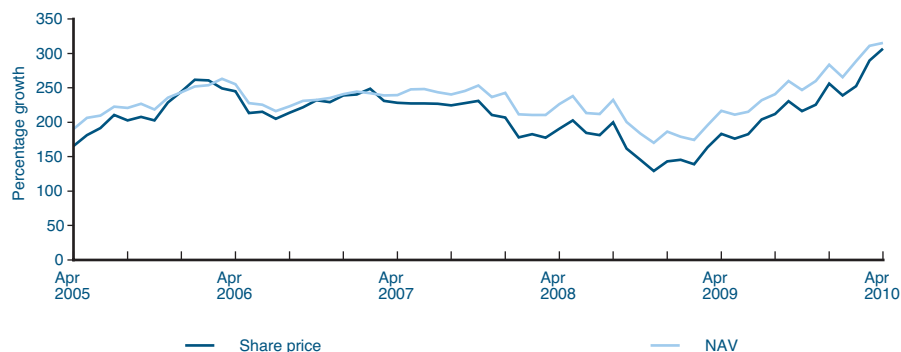
## Market Capitalisation Exposure (%)

Large (greater than US\$ 10bn)	66.3
Medium (US\$ 1bn to 10bn)	22.6
Small (less than US\$ 1bn)	11.1

## Performance Over 5 Years



## Share Price & NAV per Share Over 5 Years



## Cumulative Performance (%) to 30/04/2010

	1 Month	3 Months	6 Months	1 Year	5 Years
Share Price	5.87	28.48	42.04	67.65	85.38
NAV per Share	1.31	18.64	27.67	45.63	65.71**
Benchmark	0.86	17.55	25.20	39.63	73.39

## Discrete Annual Performance (%)

	31/03/09 31/03/10	31/03/08 31/03/09	30/03/07 31/03/08	31/03/06 30/03/07	31/03/05 31/03/06
Share Price	77.25	-7.89	-23.16	-7.32	43.66
NAV per Share	58.94	-6.05	-12.77	-9.27	33.82
Benchmark	52.05	-7.69	-3.00	-8.10	30.41

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

\*\*Not Adjusted for warrant exercise in September 2005. NAV per share performance is calculated on the basis of diluted NAV for the entire period.

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## 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 six investment professionals.

### Ben Rogoff - Fund Manager



Ben has been a technology specialist for twelve years having begun his career in fund management at CMI as a global tech 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, with responsibility for the management of Polar Capital's US technology portfolios. He is also joint manager of Polar Capital Global Technology Fund. Ben graduated from St Catherine's College, Oxford in 1995.

### Craig Mercer - Deputy Manager



Craig joined Polar Capital in 2002 from Scottish Equitable (later Aegon) where he managed their Japan OEIC. Craig is deputy manager of Polar Capital Technology Trust plc and is responsible for coverage of Asian technology and global alternative energy stocks. Craig has an Economics degree from York University.

### Technology Investment Management Team:

#### Nick Evans - Fund Manager

Nick joined Polar Capital in September 2007 and has eleven years experience as a technology specialist. He was previously Head of Technology at AXA Framlington and Citywire 'A' rated. He was lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology (both rated five stars by S&P) between Aug 2001 and July 2007. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. Nick has an Economics degree from Hull University.

#### Fatima lu - Analyst

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 Masters in Chemistry.

#### Brian Ashford-Russell - Founder/Director of Polar Capital

Brian was head of the technology team at Henderson Global Investors (and prior to that Touche Remnant) from 1987 until his resignation in September 2000 to set up Polar Capital. He has been the appointed fund manager of Polar Capital Technology Trust plc, previously named Henderson Technology Trust and its predecessor TR Technology, since TR Tech's launch in 1988. He also managed the Henderson Global Tech Unit Trust from its launch in 1984 to 1996 as well as co-managing the Seligman Global Tech and Mackenzie Universal Science & Tech funds.

## How to Invest

### Market Purchases

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

### Share Dealing Services

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

Tel: 0870 850 0852  
Online: [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing)

### Savings Scheme & ISA

Shares in the company may be purchased through a share saving scheme and an ISA administered by BNP Paribas Fund Services, by contacting:

BNP Paribas Fund Services UK Ltd (Polar Capital)  
Block C, Western House  
Lynchwood Business Park  
Peterborough, PE2 6BP

Tel: 0845 358 1109  
Fax: 01733 285 822

## Registered Office

4 Matthew Parker Street, London SW1H 9NP

## Custodian

JP Morgan Chase NA acts as global custodian for all the Company's investments.

## Registrar

Equiniti  
The Causeway, Worthing, West Sussex BN99 6DA  
[www.shareview.co.uk](http://www.shareview.co.uk)

## Codes

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

## Website

[www.polarcapitaltechnologytrust.co.uk](http://www.polarcapitaltechnologytrust.co.uk)

## House View

This document has been produced based on Polar Capital research and analysis and represents our house view. All sources are Polar Capital unless otherwise stated.

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This document does not provide all information material to an investor's decision to invest in the Polar Capital Technology Trust PLC, including, but not limited to, risk factors.

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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 are 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](http://www.djindexes.com) for further information on this index. Comparisons to benchmarks have limitations because benchmarks have volatility and other material characteristics that may differ from the fund. For example, investments made for the fund may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the benchmark. Accordingly, investment results and volatility of the fund may differ from those of the benchmark. Also, 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

This document is Issued in the UK by Polar Capital. Polar Capital LLP is a limited liability partnership number OC314700. It is authorised and regulated by the Financial Services Authority. 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, and 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 maximise return to the fund while minimising its risk. The actual investments in the fund may or may not be the same or in the same proportion as those shown herein.