

## 30 May 2008

### Fact sheet

#### Fund Manager Comment

##### Market Performance

A lack of significant new negative developments during the period allowed investor risk appetite to expand further, stocks rising modestly and the FTSE World Index rising 1.4% in Sterling terms. Whilst US data appeared to confirm domestic economic weakness, investors may have been heartened by the gentle downward trajectory that the slowdown has taken thus far. Indeed, positive news on both payrolls and core inflation suggested that accommodative monetary policy is likely to endure - positive for stocks, less so for bonds -resulting in ten year Treasury yields breaching 4% for the first time in 2008. That stocks did not respond more favourably to this was almost certainly due to spiking energy prices (crude oil rose c.10% over the period). Japanese out-performance reflected rising JBG yields and positive corporate developments whilst European stocks underperformed due to some evidence of weakening economic conditions and worrisome Eurozone inflation data that may frustrate future ECB action.

##### Technology Performance

A remarkably robust Q1 earnings season and improving investor sentiment resulted in positive sector rotation which saw technology stocks outperform, the Dow Jones World Technology Index rising 5.1% in Sterling terms. Encouraging reports from a number of bellwethers including Google, Research in Motion and Qualcomm suggested that secular tailwinds had been able to thus far offset cyclical weakness. Strongest sector performance was enjoyed by semiconductors (strong Q1 earnings, inventory rebuild, rising bond yields) whilst defensive sub-sectors lagged meaningfully. Solar stocks also performed poorly due to concerns about upcoming Spanish and German subsidy renewals.

##### Outlook

Despite fears to the contrary, Q1 earnings season comprehensively failed to reflect a weakening US domestic economy, largely due to strong international demand and favourable currency tailwinds. Whilst the latter will likely abate over the remainder of the year, undemanding equity valuations reflect some of the risk to current earnings estimates. Critically core US inflation remains benign which should allow favourable liquidity trends to endure, whilst upcoming tax rebates should meaningfully prop up the US consumer in Q2 and Q3. Whilst recent technology out-performance may limit further near-term relative gains, we are encouraged by the sector's relative earnings prowess and do not anticipate this status changing during Q2. Relative valuations remain attractive and as such there is a good chance that the 'safe haven' status lost in Q1 is fully regained over the coming months

Ben Rogoff, 6th June 2008

#### Trust Facts

|                        |                                       |
|------------------------|---------------------------------------|
| Share Price (p)        | 202.50                                |
| NAV per Share (p)      | 238.19                                |
| Discount (%)           | -17.62                                |
| Total Investments (£m) | 307                                   |
| Borrowing (£m)         | -24                                   |
| Gearing (%)*           | 92.74                                 |
| Capital Structure      | 132,508,914<br>Ordinary shares of 25p |

\* The gearing ratio is calculated by dividing total assets by net assets. The calculation ignores the effect of cash or fixed interest holdings

#### 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 2008               |
| 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 maximize capital growth for our shareholders through investing in a diversified portfolio of technology companies around the world.

##### Investment Rationale

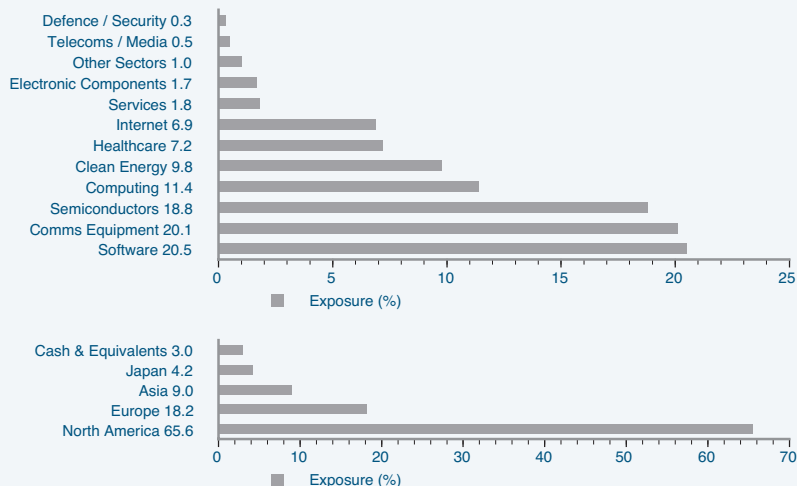
Over the last two decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broad market, reflecting the accelerating rate of adoption of new technology. Technology is transforming the competitive position of companies and entire economies, thereby fuelling a major secular increase in technology spending.

##### 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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## Sector & Geographic Exposure (%)



**Total Number of Holdings** 112

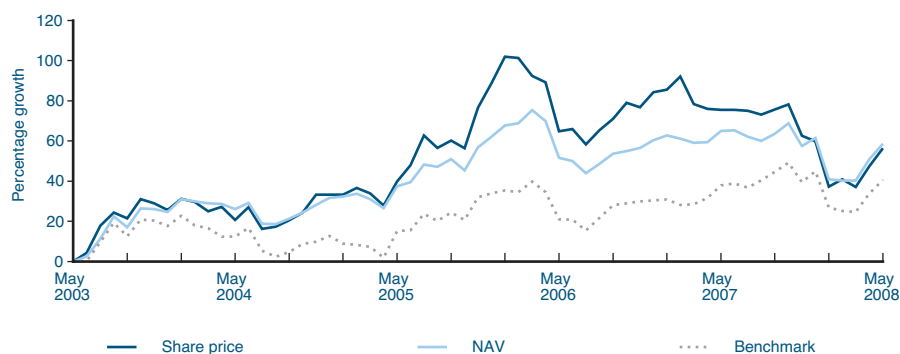
### Top Ten Holdings (%)

| Company             | Exposure (%) |
|---------------------|--------------|
| Google              | 3.8          |
| Research In Motion  | 3.3          |
| Oracle              | 3.2          |
| Qualcomm            | 3.1          |
| Cisco Systems       | 3.1          |
| Apple               | 2.9          |
| Samsung Electronics | 2.3          |
| Intel               | 2.3          |
| Microsoft           | 2.2          |
| Canon               | 2.1          |
| <b>Total</b>        | <b>28.1</b>  |

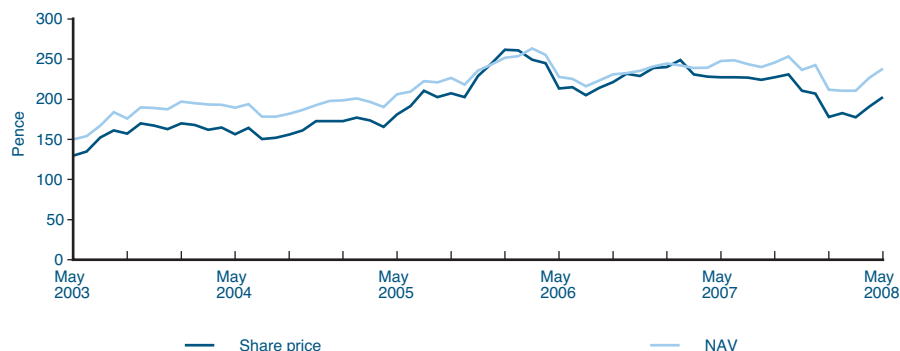
### Market Capitalisation Exposure (%)

| Market Capitalisation          | Exposure (%) |
|--------------------------------|--------------|
| Large (greater than US\$ 10bn) | 62.5         |
| Medium (US\$ 1bn to 10bn)      | 27.1         |
| Small (less than US\$ 1bn)     | 10.4         |

## Performance Over 5 Years



## Share Price & NAV per Share Over 5 Years



## Cumulative Performance (%) to 30/05/2008

|               | 1 Month | 3 Months | 6 Months | 1 Year | 5 Years |
|---------------|---------|----------|----------|--------|---------|
| Share Price   | 6.16    | 10.96    | -3.80    | -10.89 | 56.37   |
| NAV per Share | 5.22    | 13.02    | 0.69     | -3.88  | 58.62** |
| Benchmark     | 5.21    | 12.48    | 0.82     | 2.03   | 40.67   |

## Discrete Annual Performance (%)

|               | 30/03/07<br>31/03/08 | 31/03/06<br>30/03/07 | 31/03/05<br>31/03/06 | 31/03/04<br>31/03/05 | 31/03/03<br>31/03/04 |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Share Price   | -23.16               | -7.32                | 43.66                | 7.26                 | 43.78                |
| NAV per Share | -11.75               | -9.27                | 33.82                | 1.58                 | 48.42                |
| Benchmark     | -3.00                | -8.10                | 30.41                | -7.91                | 35.74                |

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



In May 2006, he took over the responsibility for managing the portfolio following three successful years running the US portfolio. Ben has been a technology specialist for over ten years, having begun his career in at CMI as a global tech analyst. He moved to Aberdeen Fund Managers in 1998 as a senior technology manager prior to joining Polar Capital in May 2003.

### Craig Mercer - Deputy Manager



In May 2006, Craig became the Deputy Manager of the Trust. Craig has nine years fund management experience. He joined Scottish Equitable (later Aegon) in 1997 after gaining an economics degree from York University. He was responsible for the Aegon Japan OEIC. At Polar Capital he focuses on Japanese technology stocks, working closely with the Polar Capital Japan team.

### Technology Investment Management Team:

#### 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.

#### Tim Woolley - Founder/Director of Polar Capital

Tim began his career as a systems analyst for two leading financial service companies. He then joined Prolific as a trainee US fund manager in 1987 and was promoted to lead manager of the technology fund in 1993. He joined Henderson's technology team in 1996 and launched the Henderson Horizon fund that focused on small and mid cap companies. Tim left with Brian to establish Polar Capital in 2001.

#### Nick Evans - Fund Manager

Nick recently joined Polar Capital and has 8 years experience as a technology specialist. He was previously Head of Technology at AXA Framlington where, since August 2001, he had been lead manager of the AXA Framlington Global Technology Fund and the AXA World Fund (AWF) - Framlington Global Technology. Prior to this he spent three years as a Pan European Investment Manager and Technology Analyst at Hill Samuel Asset Management. He started his career as an IT graduate trainee at Lloyds TSB. He graduated from Hull University with a degree in Economics with Business Economics in 1994.

#### Emma Parkinson - Fund Manager

Emma has worked with Brian and Tim for the last fifteen years as a European technology analyst, initially at Henderson and at Polar Capital from its formation. Prior to this she was a US small cap specialist with Touche Remnant and Charterhouse Bank.

#### Fatima lu - Analyst

Fatima joined Polar Capital in April 2006 after working as an analyst with Citigroup Asset Management for 18 months. She graduated from Imperial College London in 2002.

## 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)

All data as at 30 May 2008 unless otherwise stated. All sources Polar Capital unless otherwise stated. Please remember that past performance is not necessarily a guide to future performance. 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. Issued in the UK by Polar Capital LLP. 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