Polar Capital Technology Trust plc

Trust Fact Sheet
31 August 2017

Trust Facts

Ordinary Shares

Share Price	1057.00p
NAV per share	1065.57p
Premium	-
Discount	-0.80%
Capital	132,800,000 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£1,415.0m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	1.84%

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	1.2886
GBP/EUR	1.0838
GBP/JPY	141.8178

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 Policy

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.

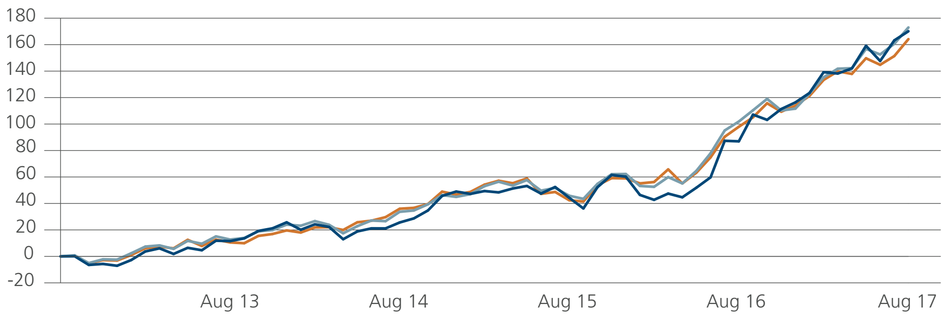
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

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	2.62	4.24	12.93	44.50	170.13
NAV per Share	4.74	6.32	16.00	35.20	172.98
Benchmark	5.09	5.79	13.21	33.45	164.16

Discrete Performance (%)

	30/04/17 31/08/17	30/04/16 30/04/17	30/04/15 30/04/16	30/04/14 30/04/15	30/04/13 30/04/14
Ordinary Share Price	11.62	67.31	-4.39	33.94	10.92
NAV per Share	12.71	56.13	1.05	30.71	11.17
Benchmark	11.04	53.38	-0.11	29.46	13.07

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

MONEY OBSERVER RATED FUND 2017

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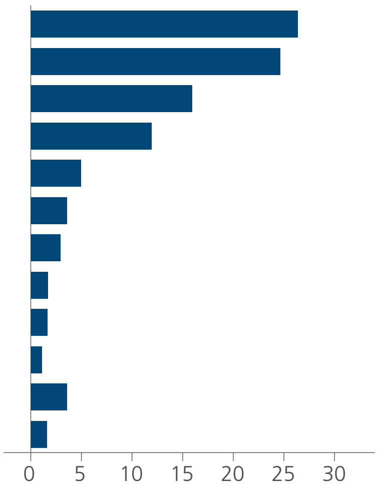
Polar Capital Technology Trust plc

Portfolio Exposure

As at 31 August 2017

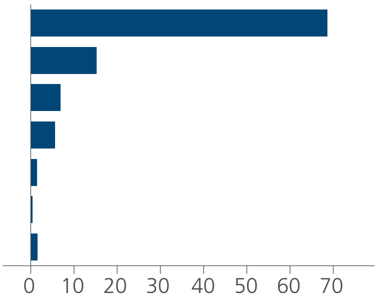
Sector Exposure (%)

Internet Software & Services	26.4
Software	24.6
Semiconductors & Semiconductor Equip.	16.0
Tech. Hardware, Storage & Peripherals	11.9
Elec. Equip. Instruments & Components	5.0
Internet & Direct Marketing Retail	3.6
IT Services	2.9
Machinery	1.7
Communications Equipment	1.7
Chemicals	1.1
Other	3.6
Cash	1.6



Geographic Exposure (%)

US & Canada	68.7
Asia Pac (ex-Japan)	15.2
Japan	6.9
Europe (ex UK)	5.6
UK	1.5
Middle East & Africa	0.5
Cash	1.6



Top 15 Holdings (%)

Apple	7.9
Alphabet	7.2
Facebook	6.2
Microsoft	5.6
Samsung Electronics	3.5
Tencent	3.2
Alibaba Group Holding	2.9
Amazon	2.9
TSMC	1.7
Advanced Micro Devices^	1.6
Applied Materials	1.5
Salesforce.com	1.4
Adobe Systems	1.4
Texas Instruments	1.3
Splunk	1.3
Total	**49.6**

Total Number of Positions 119

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	73.2
Mid Cap ($1bn - $10bn)	24.0
Small Cap (<$1bn)	2.8

^The Fund holds AMD Call options which represent 8bps of NAV and a delta adjusted exposure of 0.41%. The Fund holds SPDR S&P Put options which represent 8bps of NAV and a delta adjusted exposure of -2.87%. The delta adjusted impact of these options is only reflected in the top 15 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	6 September 2018
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 31 August 2017

Market Review

While equity markets were subdued in August – both the FTSE World Index and the S&P 500 Index ended the month essentially flat in US Dollar (US$) terms – further weakness in the British Pound saw global equities rise 2.4% in Sterling terms. August moves reflected a typically quiet final month of summer, punctuated by geopolitical events that dominated headlines as a series of missile tests and an escalation in North Korea's show of force unsettled markets. These periods resulted in brief 'risk-off' moments but markets proved resilient and able to regain lost ground following minor pullbacks.

The broad-based recovery in global growth continues as North America, Europe and Asia all delivered robust economic data. The revised estimate of US second-quarter (Q2) GDP climbed to +3% annualised, making it the strongest quarter since Q1 2015 and a strong rebound from the modest +1.2% annualised seen in Q1. At the annual Jackson Hole Economic Symposium, speeches by Chair of the Federal Reserve Janet Yellen and ECB President Mario Draghi proved uneventful, with limited insight into upcoming monetary policy from the two key central banks. The absence of concerns around recent Euro strength was perhaps the only noteworthy element. The devastating effects of Hurricane Harvey have also likely lowered the risk of political posturing over the US debt ceiling (at least until December) due to the urgent need for emergency funding approval.

The key macro question of why the low unemployment level is not sparking higher inflation remains unanswered and remains a risk to be monitored, although implied inflation expectations do not currently foresee any destabilising change anytime soon. The US Federal Reserve's favoured inflation measure, Personal Consumption Expenditure Index (PCE), underwhelmed with the July reading at +1.4% year-on-year (y/y). This was the lowest rate since December 2015 and well below the Federal Reserve's target of 2%. For now, both the ECB and Federal Reserve continue to be willing to look through the recent weaker data and not extrapolate it as reflective of weak underlying aggregate demand (the deflationary impact of technology is likely playing a part!).

Technology Review

The technology sector outperformed the broader market during the month, the Dow Jones World Technology Index TR advancing 5.1% (in GBP terms). As second quarter earnings season concluded, reporting companies generally fared well.

In hardware, the standout performer during August was Apple*, the stock gaining +10% on healthy guidance that implies management confidence in the upcoming product launch, scheduled for 12 September 2017. Expectations for the new products are high, with many touting a potential "super cycle". Three new iPhones are expected to be unveiled, in-line with supply chain commentary and channel checks. Facial recognition, wireless charging and an OLED display are some of the rumoured new features. A new Apple Watch is also expected which may, for the first time, contain a cellular chip and can therefore be untethered from an iPhone. This could materially improve user experience and functionality.

In Networking, incumbent Cisco ** delivered an in-line quarter with revenues declining year-over-year for the seventh straight quarter. Switching and Routing were both down -9% y/y alongside a decelerating Security segment. According to management, only part of the decline can be attributed to the shift to subscription revenue highlighting ongoing headwinds associated with the new cycle. Cisco's guidance implies a continuation of revenue decline next quarter.

In semiconductors, Broadcom* posted a 'beat and raise' but after a strong run the magnitude of the beat came in short of buy-side expectations. Data centre, ASICs and wireless continue to be the growth drivers and more than offset the weakness in HDD, enterprise networking and China broadband. Significant content growth in the upcoming iPhone is driving the strong wireless performance enabling guidance of flat revenues quarter-on-quarter in wireless, which was ahead of expectations for down double-digits.

In semiconductor equipment, one of our core holdings, Applied Materials* delivered a beat and raise quarter, continuing the run of strong results within the sub-sector. The display spending environment remains strong driven by OLED and 10.5G LCD investments. Noteworthy was management's prediction that wafer fab equipment spending will grow again in 2018 on increased DRAM and Logic demand in combination with strength in NAND and Foundry.

In Internet, two of our larger Chinese holdings Alibaba* and Tencent* both produced impressive earnings reports with accelerating advertising revenues, a common positive theme. Alibaba saw strong +56% y/y revenue growth alongside unexpected operating margin expansion. Core Commerce at +58% y/y and Cloud Computing at +96% y/y were the stand-out segments this quarter. Within Core Commerce the ad revenue helped to drive operating leverage and enabled Alibaba to exceed consensus margin expectations. Tencent exceeded top-line expectations with +59% y/y revenue growth, the fastest in seven years. Strong gaming and advertising revenues were the main contributors to the impressive quarter. In gaming, Honor of Kings helped mobile gaming revenue grow +54% y/y, while the advertising growth was driven by a combination of video advertising in media sales and increased ad loads in social advertising via WeChat.

In Software, companies reporting at the tail end of earnings season generally produced robust results including five of our holdings. Salesforce.com* delivered billings that beat alongside a raised revenue guidance, offset modestly by a conservative Q3 billings guide plus earnings and cash flow guidance that stayed in-line with consensus, as the company continues to emphasise investments. Splunk* beat consensus estimates on every metric and provided guidance ahead of expectations. A rebound in billings and license revenue was well received along with better execution in EMEA after a soft Q1. Management commentary on adoption of Splunk Cloud was positive as full-year cloud revenue guidance was maintained. Box* delivered slightly mixed results with a beat on revenues, billings and EPS offset by light guidance. Nevertheless, a second consecutive quarter of billings growth above 30% impressed, especially off a tough y/y comparison, as new products continue to ramp. Autodesk* also beat expectations across the board, exceeding on revenue, operating margin and EPS. This came alongside strong growth in annual recurring revenue and a big beat on net subscriber adds. The subscription transition remains on course with a healthy 30% of subscriptions coming from new customers as the addressable market expands. Software as a Service leader Workday* printed a beat and raise with subscription revenues +41% y/y, the fourth straight quarter of growth above 40%.

At the end of the month Amazon* closed its acquisition of Whole Foods Market. Almost immediately Amazon stamped their mark on the business by implementing a series of price cuts with the aim of making Whole Food's prices more competitive and accessible on everyday items. The move was likely timed, at least in part, for maximum PR effect, but nevertheless it is an early sign of how disruptive Amazon may prove to the US grocery market. The integration of the bricks and mortar retail chain by Amazon will be closely watched and offers a fascinating case study of the merging of two contrasting business models. It will also show how Amazon's core competencies of logistics and merchandising can be leveraged in an omni-channel world.

Fund Manager Comments

As at 31 August 2017

Market Outlook

While equity markets have added to their year-to-date gains, we continue to see significant opportunities within the technology sector over the next 12 months. That said, technology stocks have performed strongly year-to-date due to a combination of robust growth and some multiple expansion (off depressed levels) so a period of short-term consolidation would not be a surprise. Fortunately, valuations for higher growth companies (with a few exceptions) do not appear overly stretched and fundamentals remain supportive. Nick and Xuesong have recently travelled to the US and Asia respectively and feedback from their (and other recent) company meetings gives us confidence that fundamental strength experienced during the first-half of the year should extend into the third-quarter. In addition, we believe that the current investment backdrop remains unique, with accommodative policy and the prevailing rate of inflation supportive of current equity valuations.

As ever, there are risks to our relatively sanguine view both to the upside and downside. North Korea remains a wildcard with the international community yet to agree on an appropriate remediation strategy (assuming one exists). Although we do not anticipate actual conflagration, the risk of unintended conflict appears to be increasing. Both the Federal Reserve and ECB are holding meetings in the coming weeks, and any commentary regarding tapering and balance sheet unwind could cause further volatility. With geopolitical risk elevated and market technicals softening somewhat, we have purchased a small amount (15bps of premium) of out of the money S&P 500 ETF (SPY) put options with the aim of reducing our beta in the event of a short-term market sell-off. With the Fund essentially fully invested, this is nothing more than a short-term risk reduction exercise as our longer-term confidence remains grounded in a new cycle thesis we first articulated almost a decade ago. If our thesis is indeed playing out, it should provide a multi-year tailwind for our 'active' growth centric investment approach at a time when technology indices may be weighed down by smartphone maturity and disproportionate exposure to legacy technologies. We remain excited by eight core secular themes which include eCommerce and digital payments, digital marketing and advertising, cyber and physical security, Cloud computing and artificial intelligence (AI), software as a service (SaaS), digital content and gaming, robotics and automation and rising semiconductor complexity.

* Held

** Not held

Ben Rogoff

12 September 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 22 years of industry experience.

Nick Evans - Senior Fund Manager

Fatima Iu - Fund Manager

Xuesong Zhao - Fund Manager

Chris Wittstock - Senior Investment Analyst

Bradley Reynolds - 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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