Polar Capital Technology Trust plc

Trust Fact Sheet
31 May 2017

Trust Facts

Ordinary Shares

Share Price	1014.00p
NAV per share	1002.24p
Premium	1.17%
Discount	-
Capital	132,487,000 ordinary shares of 25p

Assets & Gearing [1]

Total Net Assets	£1,330.6m
AIC Gearing Ratio	0.00%
AIC Net Cash Ratio	1.62%

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	1.2910
GBP/EUR	1.1480
GBP/JPY	142.7597

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.

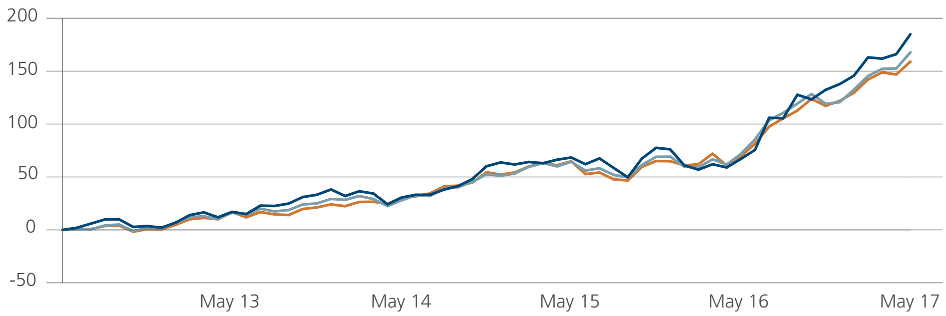
Full details of the Investment Objective, Rationale and Strategy are available on the company's website.

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	7.07	8.33	22.61	70.56	184.83
NAV per Share	6.01	9.11	22.12	55.91	167.70
Benchmark	4.96	7.01	19.29	52.91	159.05

Discrete Performance (%)

	30/04/17 31/05/17	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	7.07	67.31	-4.39	33.94	10.92
NAV per Share	6.01	56.13	1.05	30.71	11.17
Benchmark	4.96	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

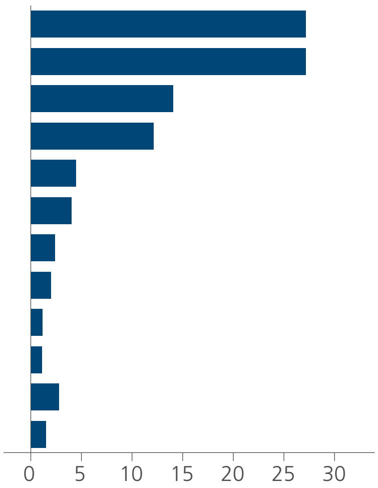
Polar Capital Technology Trust plc

Portfolio Exposure

As at 31 May 2017

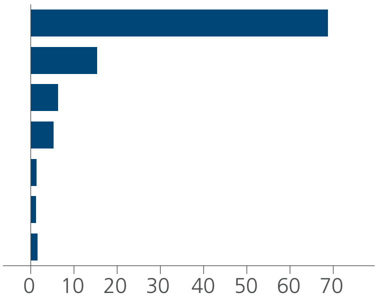
Sector Exposure (%)

Internet Software & Services	27.2
Software	27.2
Semiconductors & Semiconductor Equip.	14.1
Tech. Hardware, Storage & Peripherals	12.1
Elec. Equip. Instruments & Components	4.5
Internet & Direct Marketing Retail	4.0
IT Services	2.4
Machinery	2.0
Communications Equipment	1.2
Chemicals	1.1
Other	2.8
Cash	1.5



Geographic Exposure (%)

US & Canada	68.8
Asia Pac (ex-Japan)	15.4
Japan	6.4
Europe (ex UK)	5.3
UK	1.4
Middle East & Africa	1.2
Cash	1.5



Top 15 Holdings (%)

Alphabet	8.7
Apple	7.2
Microsoft	6.0
Facebook	5.6
Samsung Electronics	3.7
Amazon	2.9
Tencent	2.8
Alibaba Group Holding	2.4
Salesforce.com	1.7
Applied Materials	1.6
Adobe Systems	1.5
Splunk	1.4
New Relic	1.4
TSMC	1.3
Xilinx	1.2
Total	**49.4**

Total Number of Positions 120

Market Capitalisation Exposure (%)

Large Cap (>$10bn)	70.5
Mid Cap ($1bn - $10bn)	24.6
Small Cap (<$1bn)	4.9

^The fund holds AMD Call options which represent 7bps of NAV and a delta adjusted exposure of 0.33%. 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	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 31 May 2017

Market Review

Equity markets rallied further in May as the FTSE World Index gained +2.3% while the S&P 500 Index rose +1.6% (both in GBP terms). European equity markets remained a highlight, with the Euro Stoxx 600 Index returning +4.3% (in GBP terms). An absence of political risk assisted the European performance while significant headlines engulfed both the US and Brazil intra-month. In the US, the mention of possible impeachment proceedings followed allegations in the news that President Trump had attempted to interfere in an FBI investigation. This led to the biggest drop in the S&P 500 Index of the year and coincided with a jump in the VIX volatility Index. However, despite the political turmoil seemingly unfolding in the White House, it did not take long for financial markets to recover their poise supported by a strong first-quarter earnings season.

Commodity markets continued their weak year-to-date performance as the CRB Index declined -1.1% in May, the fifth consecutive monthly decline. The WTI Oil price also fell, experiencing a decline of -3.1%. That said, global economic data in general continues to portray a robust global environment supporting the move higher in risk assets. US GDP growth was revised upwards to an annualised +1.2% from the previous estimate of 0.7%. Europe remains a bright spot within the global economy, the Eurozone Composite PMI remaining at its multi-year high of 56.8 in May. A selection of 'soft' economic indicators (particularly business and consumer sentiment) have started to stall and drift lower from elevated levels. While this may temper the magnitude of US economic rebound in Q2, the US Federal Reserve is still expected to raise rates by a quarter-point in June; despite short-term concerns about a decline in core inflation, the increasingly tight labour market is likely to factor into their decision unless participation rates improve.

Technology Review

The technology sector outperformed the broader market during the month, the Dow World Technology Index TR rising 5.0% (in GBP terms). A new global cyberattack known as "WannaCry" captured headlines globally, causing widespread panic and infecting computers in more than 150 countries. The NHS in the UK, FedEx and Telefonica were high profile victims of the ransomware (exploiting a vulnerability in the Windows operating system (OS) that Microsoft had released a critical patch for back in March). Given that high profile breaches such as these have the potential to drive additional spending, cybersecurity stocks including several of our core holdings rallied on this news (having been laggards year-to-date). Technology outperformance has been aided by strong contribution from the so-called FANG (Facebook*, Amazon*, Netflix** and Google*) together with renewed strength from Apple* ahead of its all-important iPhone 8 cycle. While this combination of stocks has driven much of the year-to-date performance of the S&P 500 Index, it has been well supported by robust growth and a very solid set of quarterly reports.

Indeed, 'new cycle' strength is much broader than a handful of high-profile mega caps, evidenced by an unusually strong Q1 earnings season and a raft of recent upbeat meetings we have had with company managements. This was certainly apparent during the conclusion of reporting season with Nvidia* delivering another solid quarter beating expectations on both revenue and EPS lines. Data center revenues, +186% year-over-year (y/y), drove the upside, representing more than 20% of revenues. In Software, Salesforce.com* produced a beat and raise quarter despite a tough compare with a year ago. The core Sales Cloud reported its third consecutive quarter of accelerating growth while the Service Cloud continues to decelerate, albeit from a high level. The Chinese Internet blue chips also shone with results commensurate with recent stock gains. Alibaba* beat expectations with both revenues and EBITDA ahead, with upside from higher click volumes and conversion rates as merchants and brands spend more to market on Alibaba's large and growing platform. Tencent* also exceeded expectations driven by a strong performance in games and social networks. The Honor of Kings title, an in-house developed game, is a key factor behind current gaming momentum while a strong pipeline of games for 2H17, payment growth and Cloud leave Tencent in a highly desirable position.

While there was the odd 'next-generation' stock disappointment (our position in Splunk* fared poorly following an unusually noisy quarter) most of the first-quarter mishaps were reserved for incumbents who appear to be stumbling with ever greater frequency. In networking, Cisco** (underweight, subsequently sold) delivered an underwhelming quarter with total revenues down 1% y/y while hyper scale (Cloud) revenues declined y/y for the second consecutive quarter. However, the biggest problem with the quarter was the disappointing guidance with a shortfall blamed on weak US Federal business, Mexico and EMEA. While Cisco may be experiencing macro issues that have not yet impacted peers, we suspect the company (like so many former enterprise-computing winners) is beginning to struggle with the accelerating pace of Cloud adoption. The same might be said for Hewlett Packard Enterprise** who – like IBM** and Cisco – delivered negative y/y revenue growth in Q1.

Market Outlook

While equity markets have continued to add to their year-to-date gains, we remain constructive and continue to see significant opportunities within the technology sector in 2017. The macroeconomic backdrop remains favourable with global growth 'just about right' – enough to keep earnings estimates moving higher, but not too much to accelerate the pace of rate tightening and/or take the lustre off those companies able to deliver well-above average growth. The reversal of the so-called Trump trade (small-cap versus large-cap, value versus growth, domestic versus international) has been helpful to our pro-growth approach allowing us to recover all (and more) of the ground lost in the aftermath of the Presidential election.

However, our own confidence is grounded not in the macro but in a new cycle thesis we first articulated almost a decade ago driven by a belief that the Internet would reorder the technology landscape. As readers of our annual reports will know, we have leant on a plethora of different historical parallels to help us convey the magnitude of change we anticipated as our industry embraced a mass production model more familiar to George Eastman and Henry Ford than to most enterprise technology incumbents. As we hoped, the combination of smartphone proliferation and Cloud computing has allowed our industry to mirror the earlier experience of electricity by enabling widespread reinvention beyond traditional technology boundaries. This dynamic is most apparent in advertising where online now explains more than 40% of total spending, and in eCommerce which continues to make steady gains at the expense of traditional retail. Some of our largest holdings – Alibaba, Apple, Alphabet, Amazon, Facebook and Tencent – have all taken advantage of this combination to deliver a product or service that has changed user behaviour, in the process winning commanding share of massive new and existing end markets. Perhaps the best example of this is Alphabet (aka Google) whose stock has increased c. 12x since its IPO while EPS has increased from US$1.46 in FY2004 to an estimated US$33.90 this year[1]. As such we think investors should be leery of those who attempt to explain away recent technology outperformance as a 1990s redux; in contrast to those bubble years, we believe that revenue, earnings and cash-flow growth have been the principal driver of tier one internet companies to date.

POLAR CAPITAL

Fund Manager Comments

As at 31 May 2017

In contrast, the other side of our new cycle thesis – Cloud substitution at the expense of enterprise incumbents – has been less fruitful and at times, a source of significant frustration. While we had acknowledged that new technologies almost always co-exist with existing ones early in a new cycle, we have been surprised by how well incumbents (particularly those with recurring revenues) have been rewarded by investors. In part, this reflects the rising tide of equity valuations during this long bull market, which has lifted all boats apparently with little regard for their long-term seaworthiness. It also reflects the odd reinvention success story with Microsoft's* Cloud pivot acting as a rallying cry for many a 'cheap' incumbent. However, we believe that coexistence is becoming problematic for most incumbents as the Cloud has become the default platform for compute and storage today. The white-box deflation from the likes of Amazon Web Services (AWS) is increasingly permeating up the computing stack, threatening a number of once dominant technology franchises. This view appears supported by heightened (and increasingly defensive) M&A activity by incumbents and an enlightening first-quarter earnings season which saw a number of incumbents struggle to meet expectations and/or issue weak guidance (Cisco, HP Enterprise, IBM, Intel*, Symantec**) in contrast with mostly positive results from next-generation 'winners'. IBM remains a key battleground stock for our thesis; as such we were encouraged by soft results from Big Blue with revenues declining y/y for the nineteenth consecutive quarter while Warren Buffet's decision to sell c. one-third of his holding due to increased competition was particularly edifying. Our sense is that new cycle deflation is likely to intensify from here, prompting our decision to exit our underweight Cisco position during the month.

After a strong start to the year, investors may be looking for reasons to take profits, particularly as we enter a seasonally softer period. As ever there are no shortage of valid reasons why equity markets could consolidate some of their recent gains – commodity prices, falling US sovereign yields, terrorism and the upcoming UK election to name a few. However, we remain fairly fully invested reflecting strong next-generation results in Q1, corroborated by a slew of recent company meetings. Furthermore, recent strategic M&A transactions such as Intel-Mobileye and Cisco-App Dynamics highlight the value of next-generation assets, which should provide valuation support for our collection of high-growth holdings. 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 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. We are also fascinated by the potential for both artificial intelligence (AI) and machine learning (ML) to further reshape the technology landscape over the coming years and continue to build out our exposure to this powerful long-term theme.

1 using GAAP estimates

*Held

** Not held

*** Not held, not listed

Ben Rogoff

12 June 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

Paul Johnson - Investment Analyst

Important Information

Important Information This document is provided for the sole use of the intended recipient and is not a financial promotion. It shall not and does not constitute an offer or solicitation of an offer to make an investment into any fund or Company managed by Polar Capital. It may not be reproduced in any form without the express permission of Polar Capital and is not intended for private investors. This document is only made available to professional clients and eligible counterparties. The law restricts distribution of this document in certain jurisdictions; therefore, it is the responsibility of the reader to inform themselves about and observe any such restrictions. It is the responsibility of any person/s in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Polar Capital Technology Trust plc is an investment company with investment trust status and as such its ordinary shares are excluded from the FCA's (Financial Conduct Authority's) restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to continue to do so for the foreseeable future so that the exclusion continues to apply. It is not designed to contain information material to an investor's decision to invest in Polar Capital Technology Trust plc, an Alternative Investment Fund under the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") managed by Polar Capital LLP the appointed Alternative Investment Manager. In relation to each member state of the EEA (each a "Member State") which has implemented the AIFMD, this document may only be distributed and shares may only be offered or placed in a Member State to the extent that (1) the Fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD; or (2) this document may otherwise be lawfully distributed and the shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor). As at the date of this document, the Fund has not been approved, notified or registered in accordance with the AIFMD for marketing to professional investors in any member state of the EEA. However, such approval may be sought or such notification or registration may be made in the future. Therefore this document is only transmitted to an investor in an EEA Member State at such investor's own initiative. SUCH INFORMATION, INCLUDING RELEVANT RISK FACTORS, IS CONTAINED IN THE COMPANY'S OFFER DOCUMENT WHICH MUST BE READ BY ANY PROSPECTIVE INVESTOR.

Statements/Opinions/Views All opinions and estimates constitute the best judgment of Polar Capital as of the date hereof, but are subject to change without notice, and do not necessarily represent the views of Polar Capital. This material does not constitute legal or accounting advice; readers should contact their legal and accounting professionals for such information. All sources are Polar Capital unless otherwise stated.

Third-party Data Some information contained herein has been obtained from third party sources and has not been independently verified by Polar Capital. Neither Polar Capital nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any data contained herein.

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.

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 estimates of actual returns Polar Capital may achieve. Forecasts contained herein are for illustrative purposes only and does not constitute advice or a recommendation. Forecasts are based upon subjective estimates and assumptions about circumstances and events that have not and may not take place.

Performance/Investment Process/Risk Performance is shown net of fees and expenses and includes the reinvestment of dividends and capital gain distributions. Factors affecting the Company's performance may include changes in market conditions (including currency risk) and interest rates and in response to other economic, political, or financial developments. The Company's investment policy allows for it to enter into derivatives contracts. Leverage may be generated through the use of such financial instruments and investors must be aware that the use of derivatives may expose the Company to greater risks, including, but not limited to, unanticipated market developments and risks of illiquidity, and is not suitable for all investors. Those in possession of this document must read the Company's Investment Policy and Annual Report for further information on the use of derivatives. Past performance is not a guide to or indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Investments are not insured by the FDIC (or any other state or federal agency), or guaranteed by any bank, and may lose value. 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.

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.

Country Specific Disclaimers The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and the holders of its shares will not be entitled to the benefits of the Investment Company Act. In addition, the offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). No Securities may be offered or sold or otherwise transacted within the United States or to, or for the account or benefit of U.S. Persons (as defined in Regulation S of the Securities Act). In connection with the transaction referred to in this document the shares of the Fund will be offered and sold only outside the United States to, and for the account or benefit of non U.S. Persons in "offshore- transactions" within the meaning of, and in reliance on the exemption from registration provided by Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Any failure to comply with the above restrictions may constitute a violation of such securities laws.