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Business Markets

POLAR CAPITAL TECH TRUST

Market cap
£3.7bn

Discount to NAV
-8.5%

Excitement about growth fuelled by artificial intelligence means that there are few ways that investors can get exposure to the American technology sector at a reasonable price. Enter Polar Capital Technology Trust. The investment trust has built a £3.8 billion portfolio spread across a variety of different tech themes. Around a third of the portfolio is in the semiconductor industry.

Its biggest investment is the chip designer Nvidia, at 10.4 per cent of

ultimately ended up getting done, the portfolio as of the end of April. Its top 10 holdings also include Taiwan Semiconductor Manufacturing Company, as well as the chip companies Advanced Micro Devices, ASML Holding and Micron Technology.

Ben Rogoff, the fund manager, has racked up a respectable track record, delivering a net asset value return of 588 per cent over the past decade as of the end of April, though this was slightly behind the fund's benchmark, the Dow Jones Global Technology index, which returned 590 per cent in the same period.

More recent performance has been disappointing, with a net asset value

return of 26 per cent in the past three years, compared with a 42 per cent rise in the benchmark.

This might explain why the trust is trading at a 9 per cent discount to its net asset value at present, compared with an average of 8 per cent across the whole investment trust universe.

But this year the trust has done well, with the shares up 13 per cent in the first four months against a 10 per cent rise in the benchmark.

The fees are not particularly cheap — it charges a tiered management fee of 0.8 per cent of its net asset value up to £8 billion, 0.7 per cent between £2 billion and £3.5 billion, and 0.6 per cent beyond that.

It can charge a performance fee of 10 per cent of its outperformance against its benchmark, though this is capped at 1 per cent of net asset value.

No performance fee was paid in its last financial year, or the year before that.

Still, the discount means overall the trust remains one of the more affordable ways to get access to pricey stocks in Silicon Valley.

ADVICE Buy
WHY High quality tech at a 9 per cent discount