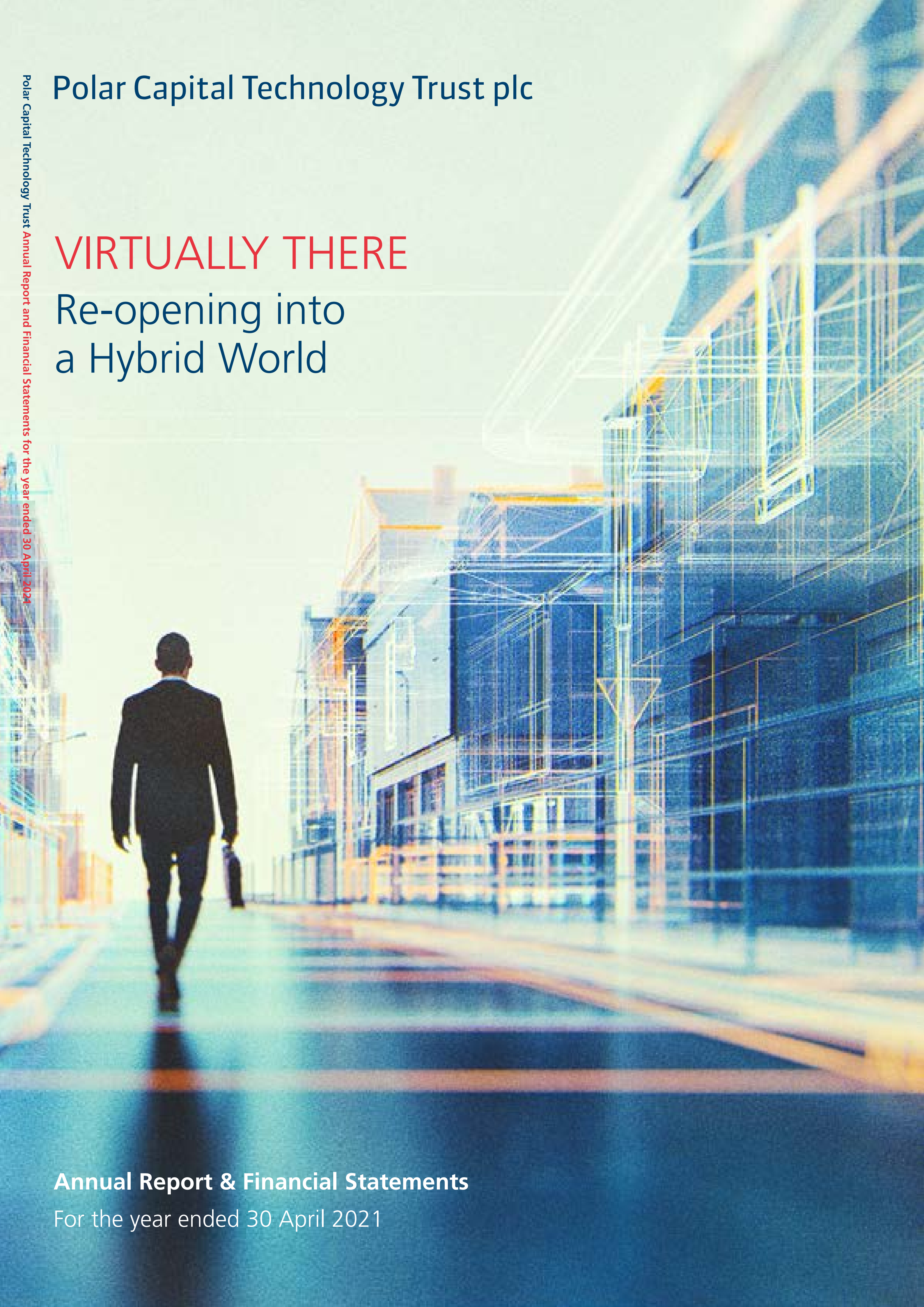


Polar Capital Technology Trust plc

VIRTUALLY THERE
Re-opening into a Hybrid World

Annual Report & Financial Statements

For the year ended 30 April 2021

Contents

Overview

Our Business at a Glance	IFC
Financial Highlights	1
Performance	3

Strategic Report

Chair's Statement	6
Financial and Performance Review	10
Board of Directors	12
Technology Investment Team	14
Investment Manager's Report	16
Environmental, Social and Governance (ESG)	33
Portfolio Review	37
Strategic Report	45
Section 172 Statement	63

Corporate Governance

Report of the Directors	70
Report on Corporate Governance	73
Audit Committee Report	81
Directors' Remuneration Report	87
Statement of Directors' Responsibilities	93
Independent Auditors' Report	94

Financial Statements

Statement of Comprehensive Income	102
Statement of Change in Equity	103
Balance Sheet	104
Cash Flow Statement	105
Notes to the Financial Statements	106

Shareholder Information

Alternative Performance Measures (APMs)	130
Glossary of Terms	132
Additional Information	134
Contact Information	138

Our Business at a Glance

Purpose

The purpose of the Company is to provide a vehicle in which investment is spread across a diversified portfolio of technology companies which aim to deliver long term capital growth to shareholders. The purpose is achieved though the Investment Objective and policy incorporating parameters to ensure excessive risk is not undertaken.

Investment Objective

The Investment Objective is to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world.

The investment policy and investment guidelines are set out in full in the Strategic Report on pages 45 to 47.

Management structure

The Company is an investment trust led by an experienced Board of Independent Non-executive Directors with extensive knowledge of investment matters, the regulatory and legal framework within which your Company operates. The role of the Board is to provide oversight of the Company's activities and to seek to ensure that the appropriate financial resources and controls are in place to deliver the Investment Objective and manage the risks associated with such activities. The Directors have appointed various third-party suppliers to provide a range of services including investment management, depositary and administrative services to the Company.

Polar Capital LLP has been the appointed Investment Manager and AIFM throughout the year. Ben Rogoff, the appointed portfolio manager, has been responsible for the Company's portfolio since 1 May 2006 and is supported by a team of technology specialists. Polar Capital LLP is authorised and regulated by the Financial Conduct Authority.

Financial Highlights

Year ended 30 April 2021

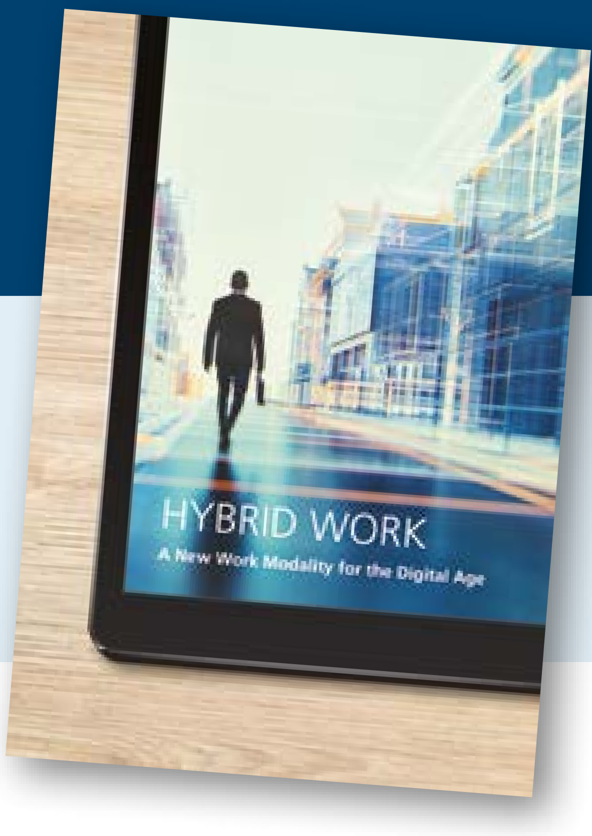
Net Assets Per Ordinary Share Total Return*	Benchmark Total Return~	Share Price Total Return*
+45.5%	+46.4%	+33.3%
2020: +18.6%	2020: +18.1%	2020: +31.0%

* Alternative Performance Measure, see page 130
~ Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes).

Key Contents

Chair's Statement	6
Investment Manager's Report	16
Environmental, Social and Governance	33
Audit Committee Report	81
Financial Statements	102

Don't miss our
Investment Manager's
Supplement
"Hybrid Work"



Financial Highlights continued

Financial Summary

	As at 30 April 2021	As at 30 April 2020	Year Ended 2021	Year Ended 2020
Total net assets	£3,408,763,000	£2,308,597,000	47.7%	19.3%
Net Asset Value (NAV) per ordinary share	2496.44p	1715.59p	45.5%	18.6%
Benchmark (see below)	3535.05	2415.42	46.4%	18.1%
Price per ordinary share	2364.00p	1774.00p	33.3%	31.0%
(Discount)/premium of ordinary share price to the NAV per ordinary share~	(5.3%)	3.4%		
Ordinary shares in issue*	136,544,764	134,566,000	1.5%	0.6%
Ordinary shares held in treasury	770,236	-	-	-

* The issued share capital on 19 July 2021 (latest practicable date) was 137,315,000 ordinary shares of which 1,308,768 were held in treasury.

Key Data

	For the year to 30 April 2021	
	Local Currency %	Sterling Adjusted %
Benchmark		
Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes)	60.6	46.4
Other Indices over the year (total return)		
FTSE World	46.9	33.7
FTSE All-Share		25.9
S&P 500 Composite	46.0	32.8
Nikkei 225	44.9	29.0
Eurostoxx 600	32.3	32.3

Exchange Rates

As at 30 April	2021	2020
US$ to £	1.3846	1.2614
Japanese Yen to £	151.34	134.88
Euro to £	1.1502	1.1516

Expenses

For the year to 30 April	2021	2020
Ongoing charges ratio #~	0.82%	0.93%
Ongoing charges ratio including performance fee#~	0.82%	0.99%

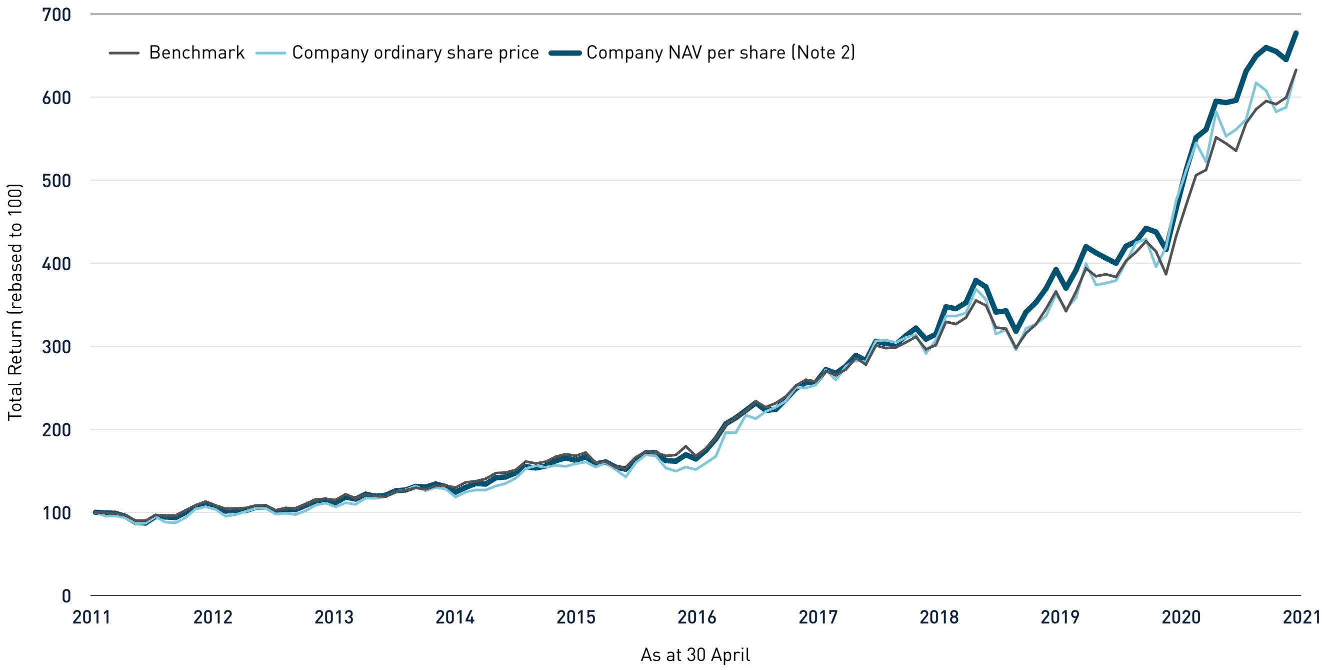
Data supplied by Polar Capital LLP and HSBC Securities Services.

\# Ongoing charges ratio represents the total expenses of the Company, excluding transaction costs, interest payments, tax and non-recurring expenses, expressed as a percentage of the average daily net asset value, in accordance with guidance issued by the AIC. With effect from 1 January 2019 all research costs have been paid by the Investment Manager.

~ Alternative Performance Measure, see page 131.

Performance

10 Year Performance Graph



Historic Performance

As at 30 April	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Assets (£m)	468.7	503.3	528.8	606.6	793.0	801.3	1,252.5	1,551.6	1,935.6	2,308.6	3,408.8
Share price (pence)	373.5	387.0	398.5	442.0	592.0	566.0	947.0	1148.0	1354.0	1774.0	2364.0
NAV per share (pence)	368.7	392.6	412.4	458.4	599.2	605.5	945.4	1159.7	1446.4	1715.6	2496.4
Indices of Growth[1]											
Share price	100.0	103.6	106.7	118.3	158.5	151.5	253.5	307.4	362.5	475.0	632.9
NAV per share[2]	100.0	106.5	111.9	124.3	162.5	164.2	256.4	314.5	392.3	465.3	677.1
Dow Jones World Technology Index[3]	100.0	108.3	114.8	129.8	168.1	167.9	257.5	301.4	366.0	432.3	632.6

The Company commenced trading on 16 December 1996 and the share price on the first day was 96.0p per share and the NAV per share was 97.5p.

Notes:

1 Rebased to 100 at 30 April 2011.

2 The NAV per share growth is based on NAV per share as adjusted for warrants and subscription shares.

3 Dow Jones World Technology Index (total return, Sterling adjusted) and from April 2013 with the removal of relevant withholding taxes.

All data sourced from Polar Capital LLP.

Strategic Report

Chair's statement

Sarah Bates
Chair

Introduction

Dear Shareholder,

Your Company's last annual report and financial statements were published on 13 July 2020. I wonder, if at that point, we had much of an idea that it would be another 10 months in the UK before we began to see at least signs of possible ways through the COVID-19 pandemic, and that it was going to have such an impact globally.

At this time of writing, there have been some 191m cases worldwide, and we are just seeing some slowing in the worldwide number of daily infections. This has been an extraordinary period for almost all of us, for some of us difficult, and for some of us very difficult indeed and your Board continues to extend its sympathy and concern to those who have been so affected. The considerable rise in your Company's assets should be seen in this context, and we have to admit to some surprise ourselves at how the pandemic's impact on the technology sector, as well as the actions by governments and central banks in response have resulted in such dramatic returns for shareholders in the last year.

As we said last year, the long term trends supporting our investment approach have remained in place, and in some ways have been given further impetus by the pandemic; it's often said that changes which were expected to take 5 years actually took 5 months (or even 5 weeks). In addition, the technology sector did provide more investment opportunities than many other parts of the listed market. As we noted last year, therefore, despite concerns about volatility and valuation, the sector proved attractive. Specifically, the Company's Net Asset Value (NAV) per share rose by 45.5%, albeit marginally behind our benchmark index, which provided a return of 46.4%. The share price rose by less, providing a return of 33.3% and I will write more about this a little later on. That extraordinary rise, after several years of strong returns, took the net assets of your Company to £3.4bn, which compares to the net assets 10 years ago of £468.7m. Do have a look at the table on page 3 which shows the pattern of returns over the last decade. Although the Portfolio Manager marginally underperformed the benchmark last year, this was against the background of a certain degree of caution on his part, which was not unreasonable. In addition, the variation, or dispersion of stock returns was quite extraordinary, probably driven by the pandemic and bail out effects. Nonetheless, the Manager outperformed the benchmark in each of the preceding 3 discrete years, as well as over 3, 5 and 10 years cumulatively (all to the end of April).

Discounts, premia and shareholder relations

In the 2019/20 financial year, the share price outperformed the NAV total return (providing a gain of 31% compared with the NAV total return of 18.6%), taking the share price to a 3.4% premium. We do consider that the Company is a reasonable vehicle for retail investors, buying through platforms, to invest in what is such a volatile sector, but we were uneasy about attracting a sudden rush of new shareholders after several years of strong performance from the sector. As a result, we issued new shares at a small premium to NAV both in the 2019/2020 financial year and in the financial year under review. In the latter half of this year, and to date, the discount at which our shares trade widened somewhat. The sector is volatile and shareholders should perhaps expect a degree of volatility in premia and discounts, but we are also aware both that too much volatility is unwelcome, and that having issued shares, we also should make sure we don't leave shareholders in the lurch if the discount widens significantly. We do not have an absolute target discount level at which we will buy back shares but we have historically bought back significant amounts of the outstanding share capital when deemed appropriate and we remain ready to do so again. As always, we keep the level of discount under careful review and have been buying back shares actively in recent months and will continue to do so. Share buy backs, when undertaken, are funded from the capital reserve. Shareholders will also note that we have a continuation vote every 5 years.

During the reporting period from 1 May 2020 to the year ended 30 April 2021, the Company issued 2,749,000 shares at an average price of 1,949.02 pence per share equating to an aggregate uplift in NAV per share of 0.68 pence. Later in the year, the Company bought back a total of 770,236 shares at an average price of 2,203.29 pence per share and average discount of approximately 8.6%, equating to an aggregate uplift in NAV per share of 1.03 pence. Subsequent to the year end, the Company bought back a further 538,532 shares.

Because of lock down, we were not able to have our usual face to face interactions with major shareholders over the year. However, email contact was very helpful. We asked our 20 largest shareholders if there was anything they wished to raise with us, towards the end of last year. We had 8 replies, raising matters such as fees, the discount level, benchmarks and ESG, and indicating general satisfaction with the Company and in particular the communications received from the Manager. We have taken the points made into account and have responded and will continue to respond to the helpful pointers given.

Environmental, Social and Governance Matters

ESG

We have been discussing our approach to ESG matters. Last year, Alastair Unwin, from the Polar Tech team, provided a very helpful note on the particular issues raised in the technology sector. This year, he has provided more detail of the specific approach taken by Polar Capital, on pages 33 to 36 of the report. In some ways, it is easy to say that the sector is less involved, for example, in fossil fuel extraction. However, governance issues are more complicated perhaps (given the voting structures of some of the largest companies in our universe, and the nature of founder driven companies) and the social issues are even more complicated. We note the extraordinary benefits provided by the tech sector, but at the same time our regulatory and indeed political structures are in some instances challenged by the uses of social media platforms by our fellow humans.

We do of course have to consider our approach to our own governance as well as that of the companies in which we invest, and we seek to be transparent and responsive in our relations with our shareholders and meet the requirements of the AIC Corporate Governance Code . We will also be working this year to understand the requirements of our investors in relation to their own ESG policies and disclosures, which are developing extensively and which we will seek to support.

Taskforce for Climate Related Financial Disclosures ("TCFD")

The Company notes the TCFD recommendations on climate-related financial disclosures. The Company is an investment trust with no employees, internal operations or property. However, it is an asset owner and therefore we will work to develop appropriate disclosures about our portfolio. Information sources are developing and we will work alongside our manager to provide more information.

Financial and performance review

We have continued this year, to provide a review of the financial statements (see pages 10 and 11), in order to link those to the rest of the reporting we provide. We hope this is helpful.

Chair's statement continued

The Board

During the year the Nominations Committee (excluding me, where conflicted) continued succession discussions and has continued with its plan in place to refresh the Board. Last year, Peter Hames retired, having reached 9 years of service. Next, we are in the process of recruiting a new Audit Chair to succeed Charlotta Ginman, our current Audit Chair, who reaches her 9-year tenure on the Board in 2024. It is anticipated that this process will conclude in the latter part of the year to ensure an efficient and orderly handover process. The Company has engaged Nurole to assist with the recruitment search and to identify suitably qualified external candidates.

As I have previously indicated, I expect to retire after the Company's Annual General Meeting (AGM) in 2022, and we will therefore announce a successor ahead of my retirement. This timing is in line with the tenure policy established by the sub-committee of the Nominations Committee and detailed in the corporate governance report on page 78.

As described in the remuneration report on page 89, an independent survey demonstrated that our directors' fees were rather below those normally seen for larger investment companies and therefore increases are proposed to make sure we attract good candidates as the workload continues to increase and looks ever more likely to do so in the future, and as other financial sectors seek new directors.

In addition, as part of succession planning, it is possible that we would need to recruit an additional director for some period, so the impact of the proposed increases but more significantly additional recruitment would take us very close to the limit of aggregated fees incorporated in the Articles. We will therefore seek approval from shareholders at the Company's AGM to increase the aggregate annual sum available for directors' fees from £250,000 to £300,000. Should the ordinary resolution be passed by Shareholders, Article 99 shall be annotated accordingly.

During the year under review we were delighted to welcome Aaron Jean-Baptiste as a board apprentice; Aaron joined us following a selection and interview process from 'Board Apprentice' which is a not-for-profit organisation with the objective of promoting and increasing diversity on boards by widening the pool of non-executive, board-ready candidates. Aaron joined us in February 2021 for a period of 12 months and attends all Board and Committee meetings as an observer. Aaron answers a few questions on his experience as a Board apprentice on page 9.

Annual General Meeting

The AGM will be held on 1 September 2021 and we would very much like this to be a physical meeting where we can once again speak with Shareholders. The health and safety of our Shareholders and our advisers is however of paramount importance to us and the situation surrounding COVID-19 rising cases is incredibly uncertain. We have decided therefore to delay the decision on the structure of the meeting until early August, when we feel we will be able to better assess the outcome of the Government's planned 'unlocking' of all restrictions. We will therefore publish and send a Notice of AGM in early August which will provide details of the structure and location of the AGM and give Shareholders options of how to attend. The Notice of meeting will also be available on the Company's website, this will include the formal business to be conducted at the AGM, arrangements for the meeting and importantly how to vote on the resolutions to be proposed. Once published, we will also make an announcement via a Regulatory Information Service to highlight the availability of the Notice and the meeting arrangements.

We strongly advise all Shareholders to consider their own personal circumstances and avoid unnecessary travel where possible. We encourage all Shareholders to exercise their votes in advance of the meeting by completing and submitting their form of proxy and appointing the Chair of the AGM as their proxy. All voting on the resolutions will be conducted on a poll. Shareholders are encouraged to send any questions ahead of the AGM to the Board via the Company Secretary at **cosec@polarcapital.co.uk** stating the subject matter as **PCTT-AGM**. We will endeavour to answer relevant questions at the meeting or via the website depending on arrangements in place at the time.

Outlook

The long-term trends for the technology sector remain very strong and company results are reflecting that. However, we are in extraordinary times without much of a road map, and just now, the dramatic bounce back from the declines in economic activity seen last year is leading to inflationary concerns, rises in bond yields and a rotation in the financial markets towards recovery sectors. The valuation gap between "growth" and "value" sectors has become very stretched. The concentration of returns in recent years to rather a small number of very large tech stocks in the US has also been unusual.

The Board does believe that long term trends continue to make a specialist technology trust attractive. We note the explosion of the use of the "cloud" and would point to the opportunities that presents. We discuss the definition of technology and as our Manager describes, we observe some surprising changes in "old economy" companies able to pivot towards, for example, electric vehicles. We expect disruption to continue and think our focus on that disruption will continue to be profitable for investors.

Sarah Bates
Chair

20 July 2021

New Board Apprentice Q&A

Aaron Jean-Baptiste

Aaron, you have now held the board apprentice role for c.6 months and will be in position for 12 months, what can you tell us from your experience so far:

Why did you decide to become a board apprentice?
I joined Board Apprentice to see whether or not a board role is for me and if so increase my confidence and skills to become a compelling applicant. It is rare an opportunity like this comes around as boards tend not to offer work experience schemes like companies do. I also joined to challenge some perceptions I had around company boards as most of my information about them is from secondary research.

Why have you chosen a technology trust? – is this a particular interest of yours?
It's a passion. I've always had a strong interest in IT (you will often find an Arduino Uno or Raspberry Pi on my desk!) so I knew many of the securities within the Trust fairly well. This meant I would need less time familiarising myself with the portfolio and would be able to focus more on being an effective board member. I also knew I would be surrounded by others that shared my interest so I could learn collaboratively with the board.

What do you think of the process so far? – has it met your expectations?
The process so far has been great. I have regular check-ins with the Chair which I'm incredibly grateful for both on a professional and personal level, and the board have made me feel very included and valued which has made me more comfortable to speak in meetings (which is often a challenge for me). I feel I'm gaining board and meaningful experience as I've been granted access to all papers and the ability to attend all board and committee meetings. The program is exceeding my expectations so far.

What potential benefits do you see from the process? – for yourself/for Boards/for the industry?
I've seen numerous benefits from the program such as: work experience, a widened network, mentorship, and formal training (Corporate Governance program from Board Apprentice). I've also appreciated the ability to openly challenge the board and investment manager in meetings which I feel is mutually beneficial. I think programs like Board Apprentice are needed as they help address diversity on boards. i.e. most board roles require extensive experience or networks, both of which young people tend not to have, so the average board member age tends to skew upwards. This program challenges that assertion and provides an opportunity to change that among others.

Do you think you will feel 'board ready' at the end of the process?
This is an interesting question. Yes, I believe I'll be able to add value to a board by the end of this program. I'm realising that boards are very bespoke in terms of strategic objectives so I am focusing on broader knowledge around governance codes and processes reviews to be more accessible.

Is there any advice you would give to future candidates?
Take initiative and construct a plan. You have limited time in the role, so you will need to ensure you have gained all you need from the program. Begin with what you hope to achieve from the program then break that into manageable actions. It's beneficial to include the board in this process as they can tailor the role to help you achieve them.

Financial and Performance Review

For the year ended 30 April 2021

The net asset value (NAV) per share increased to 2496.44p as at 30 April 2021 from 1715.59p at the start of the year. The NAV per share total return of 45.5% for the year was a result of remarkable performance through what has been an incredibly difficult year primarily related to the COVID-19 pandemic. The Company's total net assets increased to £3,408.8m as at 30 April 2021, from £2,308.6m at 30 April 2020 which equates to a 47.7% increase. The Investment Manager's Report on pages 16 to 32 sets out in detail the performance of the Company for the financial year. The chart at the bottom of the next page shows in greater detail the movement in total net assets for the year.

Total Return

The Company generates returns from both capital growth (capital return) and dividend income received (revenue return). For the year ended 30 April 2021, the total net return was £1,063.7m (2020: £360.1m), of which there was a £1,074.2m gain (2020: £365.5m gain) from capital and a £10.5m loss (2020: £5.4m loss) on our income account which offsets all expenses against dividend income. Full details of the total return can be found in the Statement of Comprehensive Income on page 102. We choose as a matter of policy not to allocate our expenses between capital and income, (the performance fee is the only expense allocated to capital). The Company's allocation of expenses is described in Note 2(d) on page 107 and the allocation methodology is considered on an annual basis. The total net earnings per share were 776.75p, compared to the previous year of 269.06p. The total net return per share was made up of 784.40p from capital return and a loss of 7.65p from revenue return.

Capital Return

The investment portfolio was valued at £3,243.0m (2020: £2,218.3m) at the year-end 30 April 2021. The investment portfolio delivered a realised return on disposals of £480.4m (2020: £33.7m) and valuation gains on investment of £647.3m (2020: £314.4m gain) for the year ended 30 April 2021. The Company's valuation approach is described in Note 2 (f) on page 108. The derivative losses of £49.1m (2020: £13.2m gain) represent the call and put options which are used to facilitate efficient portfolio management, including some portfolio protection as discussed further in the Investment Manager's Report on page 16. Full details of the derivatives are set out in the Note 6 on page 112.

Revenue Return

The investment income of £18.2m (2020: £15.8m) represents dividend income derived from listed investments. The increase in investment income of 15.2% for the year was driven by changes in holdings, dividend rates, special dividends, and FX rate changes as the Company's revenue is generally denominated in currencies other than Sterling. The other operating income of £0.008m (2020: £1.1m) was derived mainly from the Money Market Fund (MMF) interest. The reduction in the interest rates at the start of the COVID-19 crisis had led to de minimis amount of bank interest income being received during the year. The reduction in interest rates and volatility in the market also caused the gross yield of the US Dollar MMF to fall to the lowest level. This led to a significant reduction in the income received from the MMF during the financial year. It should be noted, however, that the MMF is held primarily as a cash diversification factor rather than an income generating investment. As stated above, as a matter of policy, all expenses (excluding the performance fee) are charged to revenue and as a result, expenses normally exceed the income received in any given year. As has been the case for many years, the revenue reserve remains therefore negative. The Company historically has not paid dividends given the nature of its focus on longer-term capital growth and it's unlikely that any dividend will be declared in the near future.

Expenses

The total expenses for the year under review amounted to £26.2m (2020: £21.5m) and include such as investment management fees of £24.1m (2020: £18.3m), administrative expenses of £1.1m (2020: £0.9m) and finance costs of £1.0m (2020: £1.2m). The majority of the expenses remained at a similar level to last year. As noted above, the Company's total net assets increased by 47.7%, the expenses such as management, depositary and custody fees which are calculated against the value of the assets have therefore increased during the year. There was no performance fee accrued at the year ended 30 April 2021 (2020: £1.1m).

Ongoing Charges

The ongoing charges ratio, as calculated in line with the AIC recommended methodology, represents the total expenses of the Company, excluding finance costs, expressed as a percentage of the average daily NAV. This ratio demonstrates to Shareholders the annual percentage reduction in NAV as a result of recurring operational expenses, that is, the expected cost of managing the portfolio. Whilst based on historical information, the ratio provides an indication of the likely level of costs that will be incurred in managing the Company in the future. The ongoing charges ratio for the year to 30 April 2021 was 0.82% (2020: 0.93%). The ongoing charges ratio including the performance fee for the year to 30 April 2021 was also 0.82%(2020: 0.99%) as no performance fee was accrued at the year end.

Cash and Cash Equivalents

Over the year, the Company maintained a relatively high level of cash, closing the year with £212.7m (2020: £146.7m). As noted above, as part of the Company's cash diversification strategy, the Company invests 50% of its USD cash balance into a USD Treasury Money Market Fund. As at 30 April 2021, the Company held the BlackRock Institutional Cash Series – US Treasury Fund with a market value of £50.3m.

Portfolio Turnover

Portfolio turnover (purchases and sales divided by two) totalled £3,030.4m equating to 113% (2020: 87%) of average net assets over the year. Details of the investment strategy and portfolio are given in the Investment Manager's Review on pages 16 to 32.

Gearing

The Company can use gearing for investment purposes and as stated on page 47, bank loans held as at the year-end amounted to £51.1m (2020: £57.0m). In October 2020, the Company entered into replacement contracts with ING Bank N.V for two, two-year fixed rate term loans (JPY 3.8bn and USD 36m). Both loans fall due for repayment on 30 September 2022. These loans replaced the previously held two-year loans of USD 23.3m and JPY 5.2bn which expired on 2 October 2020. The repayment of both loans would equate to 24% of the cash and cash equivalents readily available to the Company as at 30 April 2021.

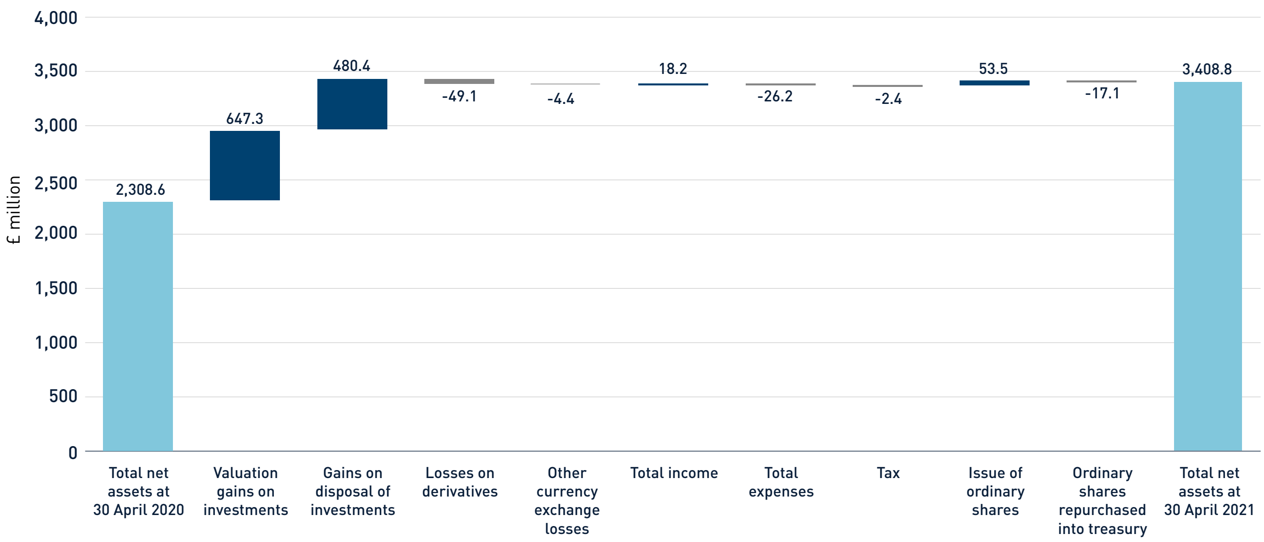
Foreign Exchange

The majority of the Company's assets and revenue are denominated in currencies other than Sterling. The Company's total return and net assets can be affected by the currency translation and movements in foreign exchange. Note 27 (a) (ii) on page 123, analyses the currency risk and the management of such risks.

Sarah Bates
Chair

20 July 2021

Movement in total assets for the year to 30 April 2021



Board of Directors

The biographies of the Directors are set out on the right and demonstrate the skills and experience brought to the Board by each individual which, together, contribute to the long-term sustainable success of the Company for Shareholders.

Aaron Jean-Baptiste

Board Apprentice (February 2021-2022)

Aaron is currently a Quantitative Analyst focused on Strategic Asset Allocation, he has IOC, IMC and CFA Level 2 qualifications and has joined the Board for a 12-month non-executive director apprenticeship role. Aaron has 7 years asset management experience in a variety of roles including IT, Development Operations, Risk and Performance.

Sarah Bates

Independent Non-executive Chair

Appointed to the Board in 2011 and as Chair in 2017.

Skills and Experience
Sarah is a past Chair of the Association of Investment Companies and has been involved in the UK savings and investment industry in different roles for over 30 years. She is a co-Founder of the Diversity Project.

Other Appointments
Sarah is a non-executive director and Senior Independent Director of Worldwide Healthcare Trust and Alliance Trust. She is Chair of the John Lewis Partnership Trust for Pensions and a director of the Universities Superannuation Scheme Investment Management Limited. Previously, Sarah was Chair of St James' Place plc, JP Morgan American Investment Trust plc, Witan Pacific Investment Trust plc and the Diversity Project Charity. She was also chair of the audit committees of New India Investment Trust plc and of U and I Group plc. Sarah is a Fellow of CFA UK.

Committee Attendance
Audit (by invitation)
Management Engagement (Chair)
Nomination (Chair)
Remuneration (Member)

PCT Share Interests
10,500

Annual Remuneration - year end 2021
£46,500

Rationale for re-election
Sarah has served on the Board for 10 years with the last four of those as Chair. She brings a wealth of investment and strategic experience to the Board along with detailed and effective leadership skills, as well as understanding of investment company matters. She has considerable experience of ESG discussions from involvement in various initiatives over many years.

The Board has and continues to value the contribution made by Sarah to the running of the Company. The Chair tenure policy of the Board indicates that Sarah will step down from the Board by 2023 but she has already indicated her intention to retire at the 2022 AGM.

Tim Cruttenden

Independent Non-executive Director

Appointed to the Board in March 2017 and as both the Senior Independent Director ('SID') and Chair of the Remuneration Committee in July 2020.

Skills and Experience
Tim is currently Chief Executive Officer of VenCap International plc having been with that company in various positions since 1994. VenCap invests in venture capital funds in the US, Asia and Europe, with a primary focus on early stage technology companies.

Other Appointments
Tim is a non-executive director of Chrysalis Investments Limited.

Committee Attendance
Audit (Member)
Management Engagement (Member)
Nomination (Member) Remuneration (Chair)

PCT Share Interests
1,000

Annual Remuneration - year end 2021
£34,000

Rationale for re-election
Tim has extensive technology private equity investment experience and brings an alternative investment perspective to discussions on portfolio. The Board and Manager value the investment debates at meetings particularly where Tim focusses on new themes, and welcome the continued contribution from him. He has also thoughtfully and capably taken the lead on succession discussions as SID.

Charlotta Ginman

Independent Non-executive Director

Appointed to the Board and as Chair of the Audit Committee in February 2015.

Skills and Experience
Charlotta qualified as a Chartered Accountant at Ernst & Young before spending a career in investment banking and commercial organisations, principally in technology related businesses. She held senior roles with JP Morgan, Deutsche Bank, UBS and the Nokia Corporation.

Other Appointments
Charlotta is a non-executive director and chairs the audit committees of Pacific Assets Trust plc, Keywords Studios plc and Gamma Communications plc. Charlotta is also a non-executive director of Unicorn AIM VCT plc and Boku Inc.

Committee Attendance
Audit (Chair)
Management Engagement (Member)
Nomination (Member) Remuneration (Member)

PCT Share Interests
4,941

Annual Remuneration - year end 2021
£36,000

Rationale for re-election
Charlotta has recent and relevant financial and investment expertise with a strong accounting background which enables her to perform in-depth analyses of the Company's Financial Statements in conjunction with the external service providers. Charlotta actively works with the Auditors to ensure a smooth year-end process and audit. She has brought her considerable experience of audit and the development of accounting regulation to the Board and is working to understand the implications of the BEIS consultations. She was particularly focussed at the beginning of the Pandemic on our supply chain, to good effect.

As three of Charlotta's roles are with investment companies that typically have only 5 Board meetings a year and the other companies are all AIM listed, with less regulatory burden than a premium listing, Charlotta has sufficient time to devote to each of her roles.

Charles Park

Independent Non-executive Director

Appointed to the Board in January 2018.

Skills and Experience
Charles has over 25 years of specialist investment experience and is a co-founder of Findlay Park Partners, an investment firm specialising in quoted American equity investments. Prior to this, he was a US fund manager at Hill Samuel Asset Management.

Other Appointments
Mr Park is a non-executive director of both North American Income Trust plc and Evenlode Investments.

Committee Attendance
Audit (Member)
Management Engagement (Member)
Nomination (Member) Remuneration (Member)

PCT Share Interests
1,840

Annual Remuneration - year end 2021
£30,000

Rationale for re-election
Charles has extensive equity investment experience and brings to the Board current and active knowledge of the industry from a different, value based investment approach which contributes to board and manager discussions. He also brings his understanding of investment management firms, fees and the private client wealth management sector to Board discussions. He has helped the Board by bringing perspectives from elsewhere to give us context and insight into investment markets. He has also brought his interest in ESG issues to our discussions.

Stephen White

Independent Non-executive Director

Appointed to the Board in January 2018.

Skills and Experience
Stephen qualified as a Chartered Accountant at PwC before starting a career in investment management. He has more than 35 years' investment experience, most notably as Head of European Equities at F&C Asset Management, where he was manager of F&C Eurotrust plc and deputy manager of The F&C Investment Trust plc, and as Head of European and US equities at British Steel Pension Fund.

Other Appointments
Stephen is a non-executive director and chairman of the audit committees of Blackrock Frontiers Investment Trust plc and Aberdeen New India Investment Trust plc. He is also a non-executive director of JP Morgan European Smaller Companies Trust plc and Brown Advisory US Smaller Companies Trust plc.

Committee Attendance
Audit (Member)
Management Engagement (Member)
Nomination (Member) Remuneration (Member)

PCT Share Interests
10,000

Annual Remuneration - year end 2021
£30,000

Rationale for re-election
Stephen has many years of investment and financial experience including as an investment company manager, which he brings to the Board. He has been particularly interested in our Manager's individual stock holdings and has encouraged helpful debate. He also has wide experience of the institutional and investment company sector, of its fees, clients and approaches. He also holds other audit committee chair positions which bring extra support to our Audit committee.

Stephen has confirmed sufficient capacity to undertake his multiple directorships all of which are with investment companies which are typically less time consuming than trading companies.

Technology Investment team

Ben Rogoff

Partner, Technology

Ben has been a technology specialist for 24 years. Prior to joining Polar Capital, he began his career in fund management at CMI, as a global technology analyst. He moved to Aberdeen Fund Managers in 1998 where he spent four years as a senior technology manager. Ben graduated from St Catherine's College, Oxford.

Nick Evans

Partner, Technology

Nick joined Polar Capital in 2007 and has 22 years' experience as a technology specialist. He has been lead manager of the Polar Capital Global Technology Fund since January 2008 and is also a fund manager on the Polar Capital Technology Trust and Polar Capital Automation and Artificial Intelligence Fund. Nick has a degree in Economics and Business Economics from Hull University, has completed all levels of the ASIP, and is a member of the CFA Institute.

Fatima Iu

Fund Manager

Focus areas: Cybersecurity, 5G, Clean Energy and Medtech

Fatima joined Polar Capital in 2006 and has 15 years' investment experience. She is a fund manager on the Polar Capital Global Technology Fund, Polar Capital Technology Trust and Polar Capital Automation and Artificial Intelligence Fund. Fatima holds an MSc in Chemistry with Medicinal Chemistry from Imperial College of Science & Technology in London. She is also a CFA Charterholder.

Xuesong Zhao

Fund Manager

Focus areas: Semiconductors, Robotics, Industrial Automation and Artificial Intelligence

Xuesong joined Polar Capital in 2012 and has 13 years' investment experience. He is a lead manager of the Polar Capital Automation and Artificial Intelligence Fund and is a fund manager on the Polar Capital Technology Trust and Polar Capital Global Technology Fund. Xuesong holds an MSc in Finance from Imperial College of Science & Technology, a BA in Economics from Peking University and is also a CFA Charterholder.

Alastair Unwin

Fund Manager

Focus areas: Fintech / Payments, Software

Alastair joined Polar Capital in June 2019 as a Fund Manager and Senior Analyst. Prior to joining Polar Capital, Alastair co-managed the Arbrook American Equities Fund. Between 2014 and 2018 he launched and then managed the Neptune Global Technology Fund and managed the Neptune US Opportunities FundAlastair has a BA (1st Class Hons) in history from Trinity College, Cambridge and is a CFA Charterholder.

Chris Wittstock

Senior Investment Analyst

Focus area: Software

Chris joined Polar Capital in 2017 as a senior technology analyst based in the US. Prior to joining, Chris led the International research sales effort at Pacific Crest, a technology investment bank that was ultimately acquired by KeyBanc Capital in 2014.

Prior to joining Pacific Crest in 2004, Chris led the International sales effort at Schwab SoundView, the successor company to Soundview Technology Group where he was from 1996. Chris spent significant time in Europe as a derivative products specialist in the late '80s and '90s, lastly with Morgan Stanley International. He is a graduate of the University of Toronto, Faculty of Engineering (Industrial).

Paul Johnson

Investment Analyst

Focus areas: Automotive (EV/AV), video gaming, 3D printing

Paul joined Polar Capital in 2012. Prior to joining Polar Capital Paul helped manage a private investment fund between 2010 and 2012.

Paul holds a BA in History and Politics and a Masters in History from Keele University. Paul is also a CFA Charterholder.

Bradley Reynolds

Investment Analyst

Focus area: Internet

Brad joined Polar Capital in 2011 as an Analyst and Trader working within the European Market Neutral team with a focus on media and internet. In 2014, he joined the Technology team as an Investment Analyst. Brad graduated from the University of Hertfordshire with a degree in Business Studies.

Nick Williams

Investment Analyst

Focus areas: Artificial Intelligence, Healthcare and Clean Energy

Nick joined Polar Capital in June 2019 as an analyst on the Polar Capital Technology team. Prior to joining Polar Capital, Nick worked at Neptune Investment Management as the Assistant Fund Manager on the US Opportunities growth fund. Prior to that he worked in academia at the University of Oxford. Nick holds an MChem in Chemistry from the University of Oxford.

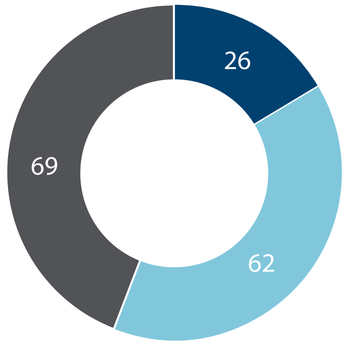
Patrick Stuff

Investment Analyst

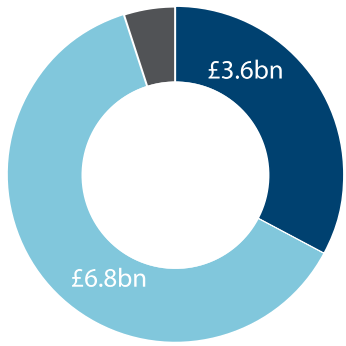
Focus area: Small Cap / Special situations

After graduating in July 2016 from the University of Warwick with a BSc in Economics, Patrick joined Polar Capital as an Operations Executive, where he provided operational support to all fund management teams at Polar, including the Technology team. During this time Patrick successfully passed all three levels of the CFA program first time, and subsequently, after a successful 8 months seconded to the technology team, Patrick joined on a full-time basis in May 2021 as an investment analyst with a focus on small and mid-cap companies.

Experience breakdown (years)



The team collectively manage £10.9bn in assets



As at 30 June 2021

Investment Manager's Report

Ben Rogoff
Partner, Technology

Market Review

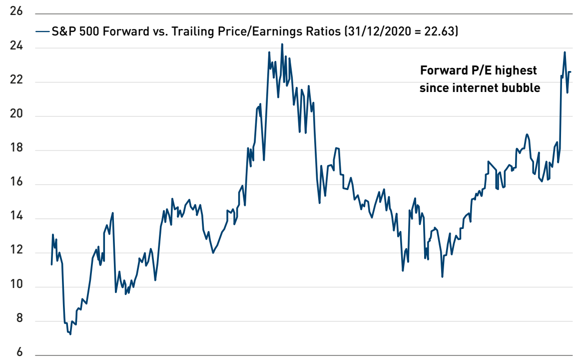
Equity markets delivered uniformly strong returns during our past financial year. The MSCI All Country World Index rose +32.3% while the S&P 500 and DJ Euro Stoxx 600 increased by +32.8% and +32.3% respectively. Smaller-cap indices (starting from a lower base and boosted by the economic recovery) have generally fared better than larger cap indices, with the Russell 2000 (small cap) returning +59.1% versus the Russell 1000's +36%. These healthy returns ultimately reflect the success of the global response to the health, economic and social impacts of the covid crisis and the resilience of a (tech-enabled) global economy and policymaking capacity that was more dynamic than many realised.

The financial year was dominated by covid, the biggest global pandemic in 100 years that has claimed c.3.3m lives worldwide at time of writing. Its initial spread was truly terrifying with case fatality rate (CFR) estimated at between 4-11%, with testing limited and little known about the virus. Risk assets plunged, the DJIA falling 37% in just 40 days with the waterfall decline driving volumes and volatility to post 2008 and 1987 highs respectively. Ten-year US Treasury yields collapsed to 0.54%, 5-year inflation expectations fell to post-GFC lows, while a glut in oil (due to the collapse in trade and travel with storage facilities full) saw WTI fall to -$37/barrel ahead of April futures settlement. Efforts to slow the progress of the virus saw the US economy contract by almost one-third on an annualised basis in Q2'20 – its biggest decline ever – while unemployment soared from 3.5% in February to 14.7% by April, before recovering to 6.7% by calendar year-end.

Our financial year began after market lows were recorded in March amid unprecedented monetary and fiscal support which saw the Fed expand its balance sheet from 19% to 30% of GDP in just seven weeks, while the CARES Act delivered fiscal support of $2.5tr by the end of April. The fiscal response was global in nature with Germany and Japan delivering packages equivalent to 30% and 50% of GDP respectively. The shortest bear market in history was followed by the quickest recovery from a <30% decline on record, taking just 5.9 months to fully recover February highs; the previous record was 23 months in 1987 while the median recovery is 5 ½ years. Technology and healthcare stocks led the recovery as both sectors proved their criticality during the crisis. During the summer, US and European economic data bounced back strongly from very depressed levels as the recoveries in GDP, the labour market and sentiment indices surprised to the upside. The US reading for the Citi Economic Surprise Index entered June at -55 and exited the month at +180, the strongest reading in its history. The combination of plunging earnings in Q1/Q2 2020 (ameliorated somewhat by record beat rates in Q2/Q3) and the speed and magnitude of the recovery saw US stocks trade at their highest forward PE multiple since the dotcom bubble. The concentration of the index also reached a higher level than any time in the past 40 years with 25% of the S&P 500 market cap accounted for by the five largest US companies – Apple, Microsoft, Amazon, Facebook and Alphabet (Google).

The second half of 2020 saw a broadening of market strength, especially in some of the areas which had previously lagged, such as smaller-cap companies and more cyclical sectors.

S&P 500 Forward vs. Trailing Price/Earnings Ratios



Source: Ned Davis Research (NDR), Refinitiv Monthly data 28/2/1983 - 31/12/2020

Risk assets rallied due to unprecedented policy support, better than feared earnings progress, the anticipation (and arrival in November) of effective vaccines and a US Presidential election outcome perceived as benign. Mega-cap leadership and record index concentration gave way to a broader advance with small caps enjoying their best quarter on record in Q4'20, having experienced their worst quarter since 1979 in Q1'20. Rising hopes for a global recovery, together with dollar weakness helped the MSCI.

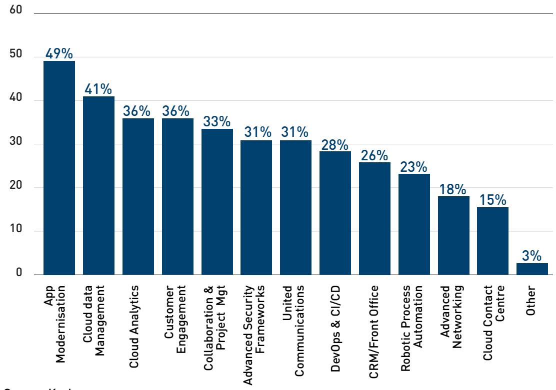
Emerging Market index rise 19% over the second half of the calendar year. Strength into the calendar year end was presaged by positive rhetoric on US fiscal stimulus and Brexit resolution, both of which were resolved in the closing stages of 2020. Strong equity market returns were punctuated by significant volatility, reflecting the unprecedented investment backdrop, with the calendar year recording 28 daily S&P 500 moves of more than +/- 3% – more than the previous nine years combined.

The turn of the year saw the market move into a more speculative phase characterized by record stock and SPAC offerings, surging bitcoin prices and enormous single-stock moves driven by a frenzy of short-squeeze activity by a growing army of retail investors united on social media. Incredibly, the 50 most shorted stocks in the Russell 2000 were up more than 50% during January. Equity markets reached new highs by mid-February, driven by the prospect of an economic recovery, progress on vaccine rollouts and optimism around further US fiscal stimulus. This optimism was swiftly displaced by inflationary fears that percolated into financial markets as investors brought forward their expectations of central bank rate rises, culminating in a sharp government bond selloff. The US Treasury 10-year yield increased from less than 1% in early January to cross through 1.5% in the last week of February and reach a peak of 1.74% at the end of March. During the first quarter, the Bloomberg Barclays Treasury Index fell by more than 4% for the first time since 1980, while the longer-dated Treasury Index plunged 13.5%. March closed out another extraordinary quarter for financial markets as investors rotated further from growth into value. The Citi US Pure Value Index (CIISVAUT) returned 5.3% during the month – the factor's best monthly return since 2009 – and Goldman Sachs' growth equity basket underperformed its value basket by an incredible -28%. Inflationary concerns continued to mount into our fiscal year end, driven by a combination of economic reopening, stimulus-driven demand, widespread supply constraints and resolutely supportive monetary policy. Copper and Brent Oil, both closely aligned with the economic recovery, also saw large monthly moves and achieved year-to-date gains of +26.7% and +30.0% respectively.

Technology Review

The technology sector once again outperformed broader market indices as the Dow Jones World Technology Index returned 46.4% during the fiscal year against the MSCI All Country World Index's +32.6% and the S&P 500's +32.8%. The sector's strong returns are testament to the crucial role it played in allowing the world to operate effectively during the covid crisis.

Which technologies are seeing the biggest benefit from Digital Transformation?



Source: Keybanc

The fiscal year also saw the NASDAQ 100 index finally recover the entirety of its relative underperformance associated with the dotcom peak and in June – after 20 years, 3 months and 3 weeks – was back level with the performance of the S&P 500. However, the technology sector's outperformance came entirely during 2020, with 2021 proving a more challenging year thus far for the sector as a very different macroeconomic backdrop has put upward pressure on interest rates and downward pressure on growth company valuations. Despite these challenges, the absolute and relative returns delivered by technology subsectors remained impressive and the breadth of the strength was striking. Larger technology companies recovered more quickly coming out of the crisis and the sector's five largest companies reached a new high as a percentage of the S&P 500's market cap by late summer (25%). As market breadth improved into the second half of the year and smaller, more cyclically-sensitive companies benefitted from a style rotation in 2021, the large cap index (the Russell 1000 Tech) was surpassed by the smaller cap index (Russell 2000 Tech) during the second half of the fiscal year, finishing up +52.7% for the fiscal year against the Russell 1000's +45.2%.

The software sector continued to ride a wave of digital transformation and further demonstrated its criticality during the covid crisis as companies and consumers made more intensive use of cloud software services to keep their businesses (and lives) going. Long-held 'digital transformation strategies' became operational and tactical emergencies. Businesses accelerated their technology initiatives and rapidly adopted collaboration and communication tools including Zoom (FY return: +115%), Microsoft's Teams (+28%) and Atlassian (+39%). They used software platforms such as Twilio (+198%), HubSpot (+184%) and ServiceNow (+31%) to drive

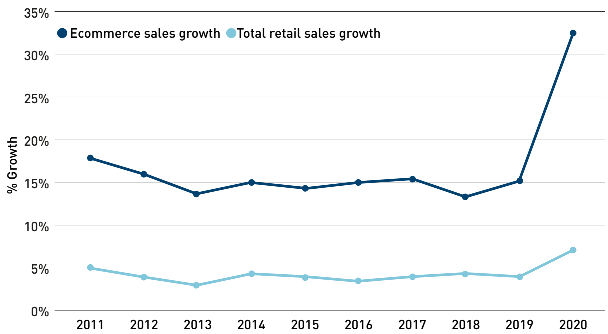
Investment Manager's Report continued

automation. The cloud (flexible, scalable, reliable) sat as the critical infrastructure beneath this acceleration in adoption and innovation, and the major platforms (Amazon Web Services, Microsoft Azure and Google Cloud) saw strong growth in their cloud businesses of +30%, +50% and +55%, respectively. These three cloud titans delivered ~$77bn of 2020 cloud revenue, up +38% from 2019, and should pass through the $100bn mark this year. Security remained an important priority during the period and both Crowdstrike's (+181%) next-generation endpoint product and Cloudflare's (+227%) network security offering recorded explosive growth.

Given such strong secular drivers it was perhaps somewhat disappointing that the software sector delivered returns modestly below other major technology subsectors and the broader technology index during the fiscal year, the Bloomberg Americas Software Index, returning +29.5%. This largely reflects the multiple compression that many of the highest growth software names suffered during the growth to value rotation following the February 2021 peak, and the impact of rising rates on long-duration asset valuations. Companies with higher growth rates and multiples generally saw a sharper sell off than those with more modest attributes, with companies showing >40% revenue growth de-rating from February highs of 34x EV/forward sales to ~23x at the end of March. M&A activity returned to the sector headlined by the announcement of Salesforce's $25.8bn acquisition of Slack and Microsoft's acquisition of Nuance Communications for $19.7bn. The backdrop for software remains supportive given a McKinsey survey of 800 executives that saw 85% of respondents indicate covid has somewhat or greatly accelerated their implementation of technologies that enable employee interaction and collaboration, and two-thirds have accelerated automation and artificial intelligence initiatives.

The internet sector was well-positioned for the covid crisis and the NASDAQ Internet Index returned 52.2%. The ecommerce sector was an early beneficiary of government stay-at-home orders as many consumers were forced to move a huge portion of their spending online. According to Mastercard $1 in $7 of global retail spending occurred online in 2019, which moved to $1 in $5 in 2020. The Adobe Digital Index predicts that the pandemic has "permanently boosted online spend by 20%" and 2022 will be the first trillion-dollar year in e-commerce. The US Census Bureau reported that US retail ecommerce sales grew 32% y/y through the third and fourth quarters of 2020, a striking acceleration from the 13-15% consistent y/y growth since 2013, reaching 14% of total retail sales (double 2015's penetration rate of 7%). Much of this growth represented a genuine expansion of the ecommerce TAM, as 21% of UK shoppers shopped online for the first time, and PayPal (+94%) added more users in the second quarter of 2020 than they had in the entirety of 2016.

Online advertising saw a similar dynamic as companies still needed to find customers in an online-dominated world. This strength persisted through the year and December 2020 quarter growth rates were higher than 2019 levels for all major online advertising platforms. Facebook's (+45%) advertising revenues held up well throughout, growing +10% y/y in Q2 and +20% y/y in Q3, as a pause in some macro-sensitive advertising was offset by strong direct response spending among Facebook's 10m (mainly) small business advertisers. Alphabet (+59%) initially held up less well given higher (10-15%) exposure to the travel vertical and saw revenue growth turn negative in Q2, but then rebounded strongly in 2021 as broader ad spending recovered. The most significant dynamic in the internet advertising space during the year was the rise of the historically 'second tier' social platforms such as Snap (+220%) and Pinterest (+192%), which saw material acceleration in both user growth and monetization, only to get caught in the high-growth/high-multiple selloff this year.



Source: Digital Commerce/US Dept of Commerce

Digital entertainment also saw a material increase in both penetration and usage during the covid crisis as the digital transformation of leisure accelerated with similar intensity to the digital transformation of work. Netflix (+11%) added 26m net new subscribers in the first half of 2020, more than double the 12m added over the same period the year before and reached 200m subscribers exiting the year. This did, however, represent some degree of 'pull forward', and Netflix sold off on the back of a disappointing subscriber guide for 2021. New categories of entertainment emerged and rapidly scaled during

2020, such as Peloton's (+184%) home connected fitness products, which delivered +232% revenue growth in the September quarter and guided to 2.275m subscribers by June 2021, from just 0.25m in June 2018. Match Group (+82%) saw usage hold up well during lockdowns and video dating become a routine activity as around half of Hinge users have now been on a video date. Food delivery platforms initially delivered strong returns as they responded to high consumer demand at the same time as much-needed market consolidation took place, but then struggled in the expectation of challenging year-on-year comparators and stiffer offline competition as restaurants reopened.

Regulatory scrutiny of the major platforms intensified over the year and culminated in Federal Trade Commission (FTC) vs Facebook vs and Department of Justice (DOJ) vs Alphabet lawsuits, which represent the most significant regulatory actions against Big Tech since DOJ vs Microsoft in the 1990s. The heightened scrutiny was not limited to the US, however, as Ant Financial was forced to suspend its November IPO following a last-minute regulatory change which indicated that Ant would need to bring its credit tech business into the financial regulatory framework and set up a financial holding company (which would significantly increase the capital requirement and reduce both the growth and return of the business). Regulatory pressure has continued to intensify in China during 2021.

Despite the weaker macroeconomic backdrop for much of the fiscal year, semiconductor companies also delivered strong returns as the Philadelphia Semiconductor Index (SOX) rose +53.7%. The first half of 2020 (SOX: +17%) was challenging as supply chains were disrupted and US/China trade tensions provided a meaningful overhang for the sector. The semiconductor space was, however, the best-performing technology subsector in the second half of the calendar year (SOX: +28%) as tight supply (and associated price increases), improving demand in automotive, smartphone and personal electronics (driven by work from home) and macroeconomic optimism combined to push both estimates and multiples higher. Advanced Micro Devices (AMD) (+42%) had another standout year as it cemented its technological lead over Intel at 7nm. TSMC (+93%), which has been integral to AMD's technological advancement and has extended its position as the world's leading foundry, also delivered strong results. Intel (-13%) had an *annus horribilis* despite strong PC and datacentre demand driven by the shift to remote working and cloud computing, as their 10nm manufacturing process was pushed out yet again. Nvidia (+87%) benefitted to a far greater degree on the back of strong cloud, gaming and AI-related demand. 2021 proved more challenging as the sector's cyclical exposure to an improving economy was tempered by concerns around component shortages and peak demand. A succession of large M&A deals arrived as NVIDIA bid $40bn for ARM (private), AMD announced the acquisition of Xilinx in a $35bn all-stock deal and Marvell snapped up InPhi for $9bn. This consolidation reflects the enormous scale and resources required to compete at the leading edge of the semiconductor market.

Apple (+63.7%) enjoyed another strong year of performance as the iPhone segment unexpectedly returned to strong growth (+11%) in Apple's June quarter as demand for iPhone 11 held firm and the new mid-range iPhone SE proved popular. The 5G iPhone 12 launch in October was successful and demand for the higher end devices surprised positively as consumers spent some of their covid savings on the best new phones. This culminated in strong results in the most recent quarter with revenue +54% y/y (on a $58bn base), driven by robust performance from iPhones, iPads, iMacs and Services. Apple continues to benefit from stay-at-home demand and demand from the strong 5G upgrade cycle, most notably in China, which grew +87% y/y.

Portfolio Performance

The Trust modestly underperformed its benchmark, with the net asset value per share rising 45.5% during the fiscal year versus 46.4% for the Dow Jones World Technology index. Stock performance was ahead of index in every region and market capitalisation tier. However, this was more than offset by our average cash position of 4.6% which dragged on performance by c300bps on a relative basis. In addition, NASDAQ put options (which served us well during the prior fiscal year) accounted for a 171bp drag as the market powered to new highs. We believe that the cash and put positions should not be viewed in isolation because by ameliorating downside risk during market setbacks (as per Q1'20), they positively influence stock selection and embolden overall portfolio construction.

At the stock level, strongest relative performance was delivered by covid beneficiaries although this was first half weighted. These included ecommerce companies such as Zalando (+97%) as well as digital payment platforms such as PayPal (+94%). Software companies able to support remote work also delivered outstanding returns including Zoom (+115%) and Twilio (+198%). A number of cloud software vendors also experienced sustained strength including next-generation security vendors Cloudflare (+227%) and CrowdStrike (+180%). Other outstanding

Investment Manager's Report continued

performers included Peloton (+184%) due to surging sales of its connected home gym equipment, while Pinterest (+192%) and Snap (+219%) both benefited from increased users, engagement and advertising on their social media platforms. Alternative energy stocks also delivered incredible performance, benefiting from sharply lower risk-free rates during the first half of the year, accelerating EV adoption and a growing list of countries announcing their intention to achieve carbon neutrality. Earlier gains were sustained following President Biden's victory in November and his subsequently announced Green New Deal. The portfolio benefited from some remarkable performance in a number of smaller positions with EV exposure including Tesla (+313%) and BYD (+198%), as well as renewable energy plays such as SolarEdge (+115%) and Ceres Power (+215%). The Trust also benefited from continued underperformance of incumbents such as Cisco, IBM and Oracle where we have zero exposure. Not only do we perceive them to be negatively impacted by technology change, but accelerated cloud adoption during the pandemic had a disproportionate impact on legacy vendors as IT budgets migrated away from on-premise solutions. In addition, the Trust benefited significantly from travails at both Intel (manufacturing issues / market share loss) and SAP (cloud transition) where we had limited exposure and which we exited early during the fiscal year.

As previously discussed, liquidity and our NASDAQ put options represented the most significant drag on performance during the period as markets moved sharply higher. At the stock level, Apple (+64%) proved the most significant detractor to relative performance as our largest underweight position cost c.120bps. However, our large-cap Internet exposure proved more costly with overweight positions in Amazon (+27%) and Netflix (+11%) struggling on slowing growth concerns, while underweight positions in both Alphabet (+59%) and Facebook (+44%) were headwinds given the advertising recovery during the second half. In addition, the portfolio was negatively impacted by a number of travel-related stocks such as Visa and Mastercard (cross-border transactions) as well as Uber which were challenged by covid-related lockdowns. As ever, there were also a few genuine disappointments such as FLIR Systems, Ping Identity, LiveRamp and Ciena all falling short of expectations, but these were largely contained to the portfolio tail.

Having begun the year with a number of core themes mapping well to beneficiaries of the pandemic, we gradually moved the portfolio to better position it for a 'new normal' backdrop in which a staggered reopening of economic activity would take place. We reduced exposure to those companies likely to prove non-recurring beneficaries of the move to WFH, such as PC-exposed stocks, and added to those we felt would benefit from more lasting changes, such as food delivery and exercise at home. We also took profits in a number of areas including software where multiple expansion left us uncomfortable. During the second half of the year, we began to selectively add to more cyclical names as our confidence in eventual vaccine deployment and subsequent economic recovery increased. This process continued following the encouraging vaccine phase 3 clinical trial results and we rotated further towards some of these more economically sensitive stocks. This was still focused on those exposed to our core investment themes, epitomised by our decision to add exposure to electric vehicle (EV) largely via semiconductor and component companies such as ST Micro, Infineon and Aptiv. The final third of the year saw us add selectively to growth stocks beyond software before retrenching as markets became more speculative in nature, evidenced by retail participation, SPAC issuance and the inexorable rise of Tesla (which we sold in February). Growth stocks came under sustained pressure into our year end as higher risk free rates weighted heavily on valuations; we reduced / exited a number of our lower conviction names (some with more difficult comparisons looming) in favour of more cyclical stocks including Applied Materials, Micron and Seagate.

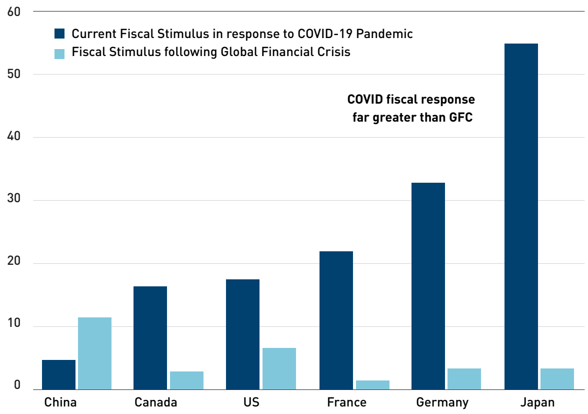
Market Outlook

Following the extraordinary speed of development and high efficacy of covid vaccines, the rollout of national vaccination programmes has finally reached a more consistent cadence. President Biden has announced a target of at least 70% of US adults receiving at least one dose by July 4 (from 44% at the start of May) and even in Europe the four largest countries are now vaccinating their populations at the same pace as the US (~5% of the population per week) and should be on track to reach 70% of the population by September. Early data has been extremely encouraging that vaccines work in stemming the spread of covid outbreaks as daily infections are down to seven-month lows in both regions. The vulnerability of populations that are not yet vaccinated has been highlighted by the tragic events in India, where the continued surge in covid cases has outweighed declines in most other regions, with new infections in India now accounting for 40% of new cases globally.

The macroeconomic rebound has been swift as successful containment measures (largely in Asia) and vaccination rollouts (with US, UK and Israel leading the way) have allowed economies to reopen. The IMF now projects real global GDP growth of 6% in 2021 led by strength in the US (+6.4%), and China (+8.4%). Global growth expectations have been revised up from 5.5% at the start of the year due to additional fiscal support in the US and more optimistic assumptions around the success of vaccine rollouts. The 2021 rebound is expected to be followed by 4.4% real GDP growth in 2022, up from +4.2% expected at the start of the year. The rapid descent into and exit from a global recession is testament to its extraordinary nature, and this has fed through into everything from policy response to market performance.

Fiscal policy will provide a major tailwind for US and global growth through 2022. US fiscal spending may now include a $1.8tn human infrastructure plan (American Families Plan) on top of the announced $2.3bn infrastructure plan (American Jobs Plan) and $1.9tn American Rescue Plan passed in March this year.

Fiscal Policy Response to COVID-19 and the Global Financial Crisis



Source: Ned Davis Research (NDR), IMF, Government Agencies, Haver Analytics NDR Calculations
As a share of GDP

The $6tn total, if enacted, would bring the total funds allocated post-covid to 28% of GDP. Monetary policy also looks likely to remain very supportive, with the Fed willing to look through the "transitory factors" driving inflation, confident these are being driven by base effects and supply bottlenecks, both of which they believe will be resolved in time. Given the Fed sees the economy being "a long way from our goals" and requiring "substantial further progress" towards full employment and 2% average inflation targets, asset purchases are expected to continue for "some time" at their current rate of $120bn/month and the Fed does not expect to raise rates until after 2023. US real consumer spending (68% of GDP) surpassed its pre-covid level in March, US capital expenditures reached an all-time high led by technology (software, tech equipment, R&D) with industrial capex now following in behind. The March savings rate spiked to 28% on the back of stimulus checks so US consumers are going back out into the economy with their wallets full and household balance sheets in good shape – in stark contrast to their government. This appears to be a supportive backdrop for risk assets returns.

Equity markets have followed the global economy's lead and rebounded rapidly, although this year they have been led higher by reopening and reflation plays rather than by the tech sector which led last year amidst lockdowns and lower interest rates. Global equity markets overall have performed much better than is typical for a recovery and the MSCI World has modestly exceeded its recovery following the 'great financial crisis' (GFC) despite 'only' falling by -34% versus -56% during the GFC. Credit spreads have never tightened more quickly following a recession, nor has an asset bubble or any other financial innovation increased so quickly in value as Bitcoin. Earnings estimates continue to move higher following a strong first quarter reporting season, with earnings tracking 23% ahead of 2019 levels, a record 21ppts ahead of analyst expectations. S&P 500 consensus 2021 EPS has reached $181 (+27%), up from $175 in early April, and is expected to grow a further 13% in 2022 to reach $204 (2020: $142). It has been somewhat unusual this cycle to see upgrades at this point in the year as estimates have typically trended down as growth (outside of the technology sector) has remained muted. It is also worth noting that we may still be relatively early in the upwards revisions cycle as after the GFC, earnings estimates were revised higher for 6-7 quarters; so far, we have only enjoyed four quarters of strong positive revisions. It is possible that we are moving from the 'hope' phase of a new bull market, during which stocks rerate in line with higher earnings growth expectations, into the 'growth' phase where economic growth is strong and earnings grow but returns begin to moderate and valuation multiples can compress.

Valuations look somewhat extended, with the S&P 500 trading at 22.5x NTM earnings, elevated versus history and already capturing three-quarters of recovery earnings. Based on one of our favoured approaches – the so-called Rule of 20 (which deducts Personal Consumption Expenditure (PCE) from 20 to yield a fair value target) US stocks are currently c.20% overvalued when applied to an average of 2021 and 2022 estimates. Other metrics suggests much more significant over-valuation; the Median PE has only been higher during the 1999/2000 bubble while the so-called Buffet Indicator (which compares the value of stocks relative to the economy) suggests stocks trade much higher than in 1929 or 2000. The problem is – as we all discovered early during the pandemic when hand gel traded at 10x so-called

Investment Manager's Report continued

fair value – the price of stocks reflects surging liquidity, negative real risk-free rates and the paucity of investment alternatives. Fed Chairman Jerome Powell made this point very clearly in December when he stated "If you look at P/Es they're historically high, but in a world where the risk-free rate is going to be low for a sustained period, the equity premium, which is really the reward you get for taking equity risk, would be what you'd look at". Powell was of course referring to the Fed Model which we have used consistently since the GFC to counter the charge of stock overvaluation. According to this measure, stocks remain c. 50% undervalued versus bonds, and nearer to fair value when comparing dividend and Treasury yields.

The inflation outlook remains the market's central focus as market participants position for upward inflationary pressure with a recent BoA Fund Manager Survey revealing that fund managers now consider inflation a greater risk to markets than COVID-19. Mentions of inflation increased >800% y/y in Q1 earnings calls. Shortages are widespread as the global economy deals with a burst of demand from reopening, fiscal stimulus and the release of excess consumer savings, which has not been met by a comparable increase in the supply side of the economy across commodities, finished goods, services, housing and labour. Survey-based measures of prices paid by firms point to significant upward pressure, the Cass Freight Expenditures index has risen 17% since September, the Baltic Dry Index has increased 139% YTD, and car rental prices are now 25% above pre-pandemic levels, having fallen by 20% in 2020. The shortages widely reported in semiconductors and raw materials are being treated as 'bottlenecks' by policymakers (most explicitly the Fed), but US imports are at record highs and many factories and fabs are running at full capacity, which suggests that there is the potential for either supply-side constraints to temper GDP growth or – more likely – room for inflationary pressures to continue to mount as stimulus-charged demand continues.

The ongoing constraints in the labour supply are particularly striking: there are currently 9.7m US workers who are unemployed, and perhaps another 4.6m (per BoA) who left the labour force during the pandemic. US Job openings (JOLTS) are back to pre-pandemic levels, firms are reporting labour shortages, Uber and Lyft are reportedly having to pay sign on bonuses. Some of this is a skills mismatch as firms are struggling to find qualified applicants for high-skilled roles (typical when coming out of a recession), but there are also covid-specific shortages. As many as 4 in 10 unemployed Americans can today earn more from enhanced unemployment benefits than they did working; some workers may be unwilling to return to face-to-face work until fully vaccinated; some older workers have taken early retirement and childcare issues have prevented some from returning to the workforce. This appears to be an environment ripe for upward pressure on wages, but also one in which investments in automation will appear increasingly attractive. We know from experience of prior recessions that the rate of job automation increases as the economy recovers and would expect this time to be no different.

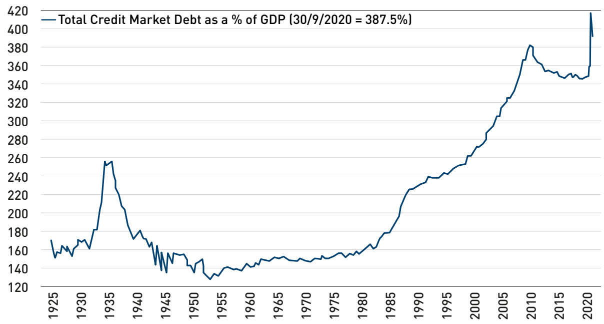
Some commentators are calling for a sustained regime change from growth to value stocks given the conditions that have led growth to dramatically outperform value since the financial crisis may have changed. That period witnessed a slow economic rebound post-crisis, persistently low inflation, a relentless decline in bond yields (supportive of long-duration assets) and a sectoral bifurcation in profit growth between TMT sector and other sectors. Today, the macroeconomic environment appears altogether more pro-cyclical than it has been for a generation given strong output growth, extraordinary fiscal support (potentially turbocharging cyclical growth), steeper yield curves, the loosest ever financial conditions, rising commodity prices and the much-discussed return of inflation. It is conceivable that the structural increase in infrastructure spending and higher GDP growth could drive higher returns in more capital-intensive industries and even drive a new (likely Green) capex cycle. Some have suggested that the immediacy of the climate threat means that decarbonization will be to the 2020s what digitization was to the 2010s.

<u>However, we are not ready to call the end to disinflation.</u> Rather, we (like the Fed) welcome a little reflation. After all, things would have to be pretty bad if we didn't have some inflation coming through given the magnitude of liquidity that has been pumped into the system and the demand surge from reopening. Output gaps that are not predicted to close until 2025 should help keep actual inflation anchored for now while secular disinflationary headwinds (technology, globalization, debt, demographics) remain formidable. However, we are also alive to the risk that the pandemic has changed the rules of engagement in ways that we cannot yet fully appreciate. Yields that break out of well-established ranges and/or a return to an inverse correlation between bond yields and stock prices as they were before 1983 would signal the end of the disinflationary era.

Market Risks

There are many risks to our constructive if guarded market view. One of the most significant risks today is that the recovery trajectory fails to meet current expectations due to a **setback in the battle against covid** caused by vaccine production setbacks, reduction in efficacy, new virus strains and/or any delay in delivering modified vaccines. The recovery may also falter if the consumption boom fails to sustain post lockdown due to the moderation of government support, reflexivity associated with weaker stock markets or because the disequilibrium of savings (concentrated in higher income households) limits the extent of pent-up demand release post pandemic. We may also be disappointed by the **pace of normalization** which elongates the recovery trajectory with **travel** unlikely to return to its prior state until we have reached herd immunity worldwide. This would require two-thirds of the population – 4-5bn people – to be vaccinated, unlikely before 2023. Health passports cannot solve the fact that new mutations may render vaccines less effective. As such, the movement of people may yet follow the path of currencies which remained tightly controlled long after WWII in order to prevent the disorderly unwind of imbalances and the collapse of Sterling. We cannot really know when (or if) travel restrictions will be fully lifted given that it took until 1979 – 40 years after they were introduced – for UK currency controls to be removed. This is non-trivial issue with **travel and tourism** directly worth $2.9tr in 2019 and (all in) accounting for as much as 10.3% of global GDP.

Total Credit Market Debt as a % of GDP



The recovery trajectory could also be stymied by **record levels of debt**. Since 1951, high government debt (as well as total credit market debt) has coincided with slower economic growth. In part, this reflects the burden of net interest costs which thankfully are modest today – according to Yardeni, the US government's net interest costs were just $326bn in the twelve months to January 2020. However, these costs will increase sharply to $649bn and $866bn at 3% and 4% respectively. Efforts to reduce fiscal deficits and national debt – real or merely designed to reassure capital markets – will pressure growth too, both directly (less government spending, higher taxes) and indirectly (loss of confidence) once it becomes clearer where the burden of paying for covid will fall. For now, governments (and capital markets) seem comfortable with deficit spending and 'helicopter money' but this may not persist, particularly if inflation becomes more problematic. Innovative ways to replenish state coffers may include wealth and/or windfall taxes.

Higher risk-free rates represents another key risk this year. Initially a happy consequence of record liquidity / stimulus meeting vaccine progress and until recently, higher bond yields were positively correlated with equity markets. However, this relationship is likely to be tested should rates move inexorably higher, particularly should yield curves continue to steepen. At time of writing, the US 10yr-2yr spread is at 148bps – very close to the all-important 150bp level above which annualized SPX gains fall to 5.8% compared to 11.0% when the spread is between 0-1.5%. Much depends on the **inflation outlook** which, as discussed earlier, looks more problematic, but (like the Fed) we remain hopeful that it may yet prove transitory. Other risks include **elevated equity valuations** (covered elsewhere) which look incompatible with an inflationary backdrop and signs of **late-cycle exuberance** such as SPAC issuance and retail participation, although this latter risk has been significantly ameliorated by recent weakness in long-duration assets.

Political risk has greatly diminished over the past year as covid took centre stage, the pandemic likely easing the passage of Brexit. Likewise, **US-Sino relations** were becalmed (aside from the occasional Trump executive order) by the pandemic. Instead, political focus shifted inwards with **BLM** movements following the death of George Floyd in May reflecting long-term inequalities and diverging fortunes highlighted by covid. However, the ignominious end to the Trump era and the election of the oldest ever President began the necessary process of **rebuilding the centre**, aided by bipartisan support for fiscal measures that benefited most Americans regardless of colour and creed. This process played out in the UK too, following the election of Keir Starmer as Labour leader. This healing path looks likely to persist for now, aided by vaccine rollouts, economic recovery and better weather. As governments begin to address who picks up the covid tab, greater redistribution of income should prove galvanizing, while the green agenda is one of the few issues that almost everyone can rally around. However, once covid is behind us, political risk is likely to re-emerge just as the Grand Alliance began to splinter once

Investment Manager's Report continued

WWII was won. What to do with China may become a key focus once the global economy is on firmer footing. With Biden in the White House, the immediate risk of another trade-war dislocation appears greatly diminished. However, a friendlier tone with China will only slow, rather than reverse, a decoupling process that feels inevitable. Likewise, we may see more foreign policy reversals post Trump as the US optically returns to its post-war role as bulwark of the free world, but relations with Iran and a more bellicose Russia will likely test the fortitude of the new *Pax Americana*.

Technology Outlook

After declining 3.2% in 2020, worldwide IT spending is expected to reach $4.1trn this calendar year representing an increase of 8.4%, in current dollar terms. Despite the 2020 decline in overall IT spending, the S&P technology sector delivered revenue and earnings growth of 6.3% and 7.9% y/y respectively, well in excess of the broader market where revenues and EPS fell 1% and 11% respectively. For 2021, the technology sector is expected to deliver revenue and earnings growth of 12.6% and 21.2% – while the market is forecast to grow at 10.9%/31.7% – respectively. This largely reflects more difficult comparisons and less incremental leverage with operating margins already at 24% versus industrials at 6.5% and energy at 4.4%. The current market rotation away from growth likely reflects this dynamic. However, after a year that proved the criticality of our sector, **tech fundamentals are strong**. With Q1 2021 reporting season largely complete, 86% of technology companies have delivered upside to revenues versus SPX at 76% with an average delta of 5.1% (the highest of any sector). The only fly in the ointment is that the **earnings recovery is broad** leaving technology sector growth looking less remarkable for now.

Having reached a low of c20x early during the crisis, the forward P/E of the technology sector increased throughout 2020 as the sector took centre stage during the pandemic. Today, the sector trades at c26.3x - new cycle highs – and well ahead of five (19.8x) and ten-year (16.7x) averages. Although absolute valuations remain elevated, technology fundamentals are strong while the sector relative rating represents only a c.19% premium to the broader market (2020: 6%), ignoring its balance sheet strength. While the sector's relative growth profile looks less exceptional against a backdrop of (wildly) above-trend global GDP growth, it continues to sport net margins almost twice that of the S&P 500 in Q1'21). As in previous years, the technology sector is unique in boasting net cash.

While the premium valuations enjoyed by technology stocks remain a little above the post-Great Financial Crisis (GFC) range of c.0.9-1.1x, they remain far from levels seen during the late 1990s bubble when the sector traded in excess of twice the market multiple. However – as we have long argued – aggregate valuations do not tell the whole story because they are diluted by the presence of 'cheap' incumbents like Cisco, HP, Intel and Oracle that trade on forward P/Es of 8-15x. In contrast, high- growth stocks recently traded at valuation last seen in the late 1990s. In part, this reflects their unusual growth profiles and increased relevance in a 'hybrid world'. However, valuations also reflect retail participation, concentrated portfolios and classic late-cycle exuberance that coalesced around long-term total addressable market (TAM) investing which all but obviates the need to justify valuations today. We continue to tread carefully within this cohort of stocks, using recent weakness to gently increase our exposure to what we believe are the most important next-generation assets.

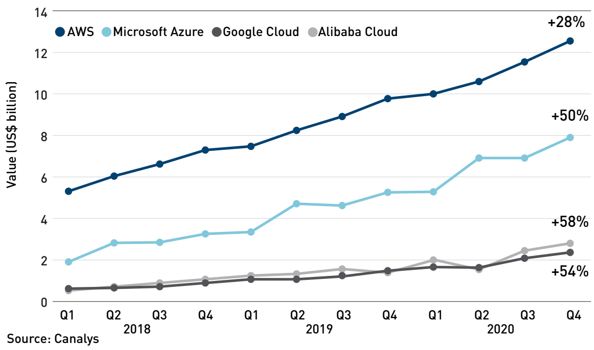
We should also acknowledge a few supportive points on technology valuations. First and foremost, it is **never easy valuing technology winners**, a challenge complicated by recurring business models that (rightly) embolden managements to prioritise growth over profits using LTV/CAC-type frameworks (which, in turn, invites investors to apply a TAM-based approach). While it could be a case of tail wagging dog, private company valuations are also supportive with the likes of Stripe (c$95bn), Databricks ($28bn) and SpaceX ($74bn) in line with or above their listed peers. Finally, with private equity said to be sitting on a record cash pile of $1.5trn, the recently announced $12.3bn acquisition of Proofpoint by Thoma Bravo was highly supportive at an estimated 9.5x forward EV/Sales multiple, significantly above valuations of publicly-traded software-as-a-service (SaaS) companies with similar growth profiles.

New cycle update

When the story of covid is retold twenty years from now, one cannot help but wonder what part will be played by the **Cloud** which "did not break", proving that "life can go on, even when an entire country is in physical lockdown". It enabled collaboration, shopping, business events, entertainment, education and telemedicine at a scale unprecedented in human history. In contrast, on-premise computing looked even more anachronistic, particularly with employees not even on premise. Unable to support vast numbers of remote workers and customers alike, the pandemic acted as a forcing function for companies to adopt the cloud and digitally transform.

Against a backdrop of declining IT budgets, the **cloud infrastructure** market increased 33% y/y to $142bn in 2020, with the pandemic said to have accelerated the cloud shift by about a year. The market added $10bn of incremental revenues in Q4 alone and ended the year at a $160bn run rate dominated by four vendors – AWS (31% share), Azure (20%), Google (7%) and Alibaba (6%).

Top four cloud service providers: Q1 2018 to Q4 2020



Source: Canalys

However, these numbers are a little misleading because they include private cloud which continues to cede share to shared (public) infrastructure as per our long-held thesis. As such, all of the leading public cloud vendors continue to benefit from Cloud growth. **Amazon Web Services** (AWS) still dominates the market as well as Amazon's financials (accounting for c10% of revenues but >50% of operating income) with growth reaccelerating in Q1'21 to 32% y/y. Capping an eventful 2020, Andy Jassy, co-founder and CEO of AWS is set to replace Jeff Bezos as Amazon CEO this summer. **Microsoft Azure** continues to significantly outgrow the market as preferred supplier to enterprises later to embrace cloud with 50% y/y growth reported in its most recent quarter (although limited disclosure means we have no idea how profitable this growth is). With 19% of enterprises expecting to invest significantly more on Microsoft Azure ahead of all other cloud vendors96, Microsoft continues to look well positioned. Greater disclosure by parent Alphabet means we now know that Google Cloud is generating $16bn of annualised revenues and growing 46% y/y in Q1'21. However, the business remains deeply unprofitable which takes some of the shine off its above-industry growth rate although bulls (us included) expect losses to moderate over time as greater scale is achieved. Other players continue to trail; IBM's Red Hat division increased 19% y/y in 2020 while Oracle remains a niche player with just c2% market share, although its demise looks less certain following high-profile wins of both TikTok and Zoom.

Despite the strong growth during 2020, the penetration of cloud workloads has remained in the low-mid 20s with Morgan Stanley suggesting c.26% of application workloads are currently running in the public cloud while Goldman Sachs' estimate penetration at 22%. This is expected to increase to 42% by 2023 which should leave enough growth available for all of the leading platforms for now. When considered alongside software as a service (SaaS), cloud industry revenues grew 30% y/y in aggregate during 2020 to an estimated $220bn[110]. Very few sectors have ever been able to grow at scale like this, reflecting a vastly superior proposition and a massive TAM. After a decade of torrid growth, 40 IPOs and more than $200bn of M&A, the cloud still only explains 13% of the $1.8trn enterprise IT stack and just 6% of the $3.6trn overall IT industry. Driven by ongoing digitalisation, new verticals such as healthcare and education, and with AI, AV and the IoT all in their infancy today, cloud revenues could increase 5x to $1.1trn by 2030. This would take cloud penetration to above 40% and represent a CAGR of 17.5% while the number of cloud platforms at $10bn+ revenue scale could quadruple to 19 from just five today. If this sounds far-fetched, consider that software spending represents just 0.9% of global sales today.

One area that looks particularly well positioned is **cybersecurity** after the pandemic significantly increased the so-called attack surface due to new devices, new data silos (created by applications such as Zoom and Microsoft Teams) and exponential growth in data traffic. This heightened risk was confirmed by the number of identified attacks reaching 2019 levels by the end of Q220. Then came the Sunburst hack estimated to have directly impacted 18,000 SolarWinds customers worldwide, including the US federal government. Unsurprisingly, cybersecurity was propelled to the no. 1 spending priority for 2021, with the new US administration promising to inject an incremental $10bn into their cybersecurity effort. However, the broader cloud transition (accelerated by WFH) is creating meaningful cross-currents, disrupting the security status quo. Today, there is already a huge divergence between the percentage of workloads in the cloud and the share of security budget being currently spent on cloud protection. While this mismatch represents a significant opportunity for next-generation technologies and vendors, the risk of disruption to incumbents may never have been greater. This has led to a bifurcation in subsector valuations with next-generation vendors such as Cloudflare, CrowdStrike, Okta (all held) and ZScaler (not held) all experiencing significant valuation expansion last year while legacy vendors struggled. We continue to focus on the most exciting areas such as Zero Trust, Identity and Access Management, and Container Protection with our position sizes reflecting the downside associated with elevated valuations. We also hold several second tier / slower growers that should fare well despite the cloud shift. The recent acquisition of (former holding) Proofpoint by PE was a timely

Investment Manager's Report continued

reminder of the scarcity value associated with good security assets, even if their glory days are behind them.

After an exceptional 2020, **Internet** stocks look well placed to consolidate before extending gains enjoyed during the pandemic. The accelerated adoption of **ecommerce** during 2020 was the most important trend witnessed across the internet sector in 2020. Although growth has moderated post the Q2'20 peak, the step-change in online consumption has forced the world's retailers to pivot their strategy to meet the new customer needs and, in some cases, sell direct to consumer (D2C) for the first time. This ushered in the post-Ketchup digital era as Heinz made the decision to directly sell ketchup online for the first time in 151 years (enabled by the Shopify platform). Traditional brick and mortar retailers have seen their previous challenges amplified by the pandemic with US retail store closures reaching a record in H1 2020 and bankruptcies totalled 30, the largest number since the GFC peak of 2010. The e-commerce shift has been even more pronounced in certain categories such as groceries where in the UK, penetration doubled from 5% in 2019 to over 10% in 2020. The pandemic has also strengthened consumer desire for convenience and immediacy, which is a behaviour unlikely to be reversed quickly. The traditional e-commerce offering has been a two-day delivery window pioneered by Amazon, which has shortened to become a next day offering. The on-demand market takes this further with a sub one-hour delivery window (down to sub-five minutes for ridesharing) which should increasingly appeal to consumers who have been 'reprogrammed' during the pandemic. Food delivery is a good example of how on-demand can create new use-cases, aided by the trend of increased work from home.

After a more challenging year for **advertising**, economic reopening should benefit the leading internet platforms with digital advertising forecast to grow 15.4% in 2021, with upside likely given the permanence of the ecommerce shift and the resulting need for greater spending on digital advertising. The surprising resilience of global digital advertising during the pandemic (+8.2% during 2020) reflected growth in the number of active advertisers across the various advertising platforms. While Facebook added over 2m paying advertisers last year (to reach 10m), this still represents only c.5% of the 200m+ businesses active on Facebook and little more than 1% of the 800m small businesses worldwide. In addition to Facebook, Snap and Pinterest have both witnessed substantial increases in active advertisers on their platforms. However, reopening tailwinds are likely to be buffeted by privacy-related changes introduced by Apple (ID for advertisers – IDFA) and Google (phasing out third-party cookies) that may initially reduce ROI on ad spending. Despite this, we are encouraged by the potential to monetise increased time spent in **social media**, particularly as the boundaries blur between social media and ecommerce evidenced by the likes of Facebook Shops, Instagram Checkout and Shop the Look on Pinterest and the trend towards **'entertainmerce'** - the fusion of entertainment and commerce in the form of live shopping. This trend is most advanced in China where 'livestreaming' is estimated to have generated c$120bn of revenues in 2020.

Finally, we remain excited about the prospects for **on-demand media** as another clear pandemic beneficiary with more than 80% of US households now subscribing to at least one paid streaming service while 38% of consumers tried a new digital activity or subscription for the first time during the pandemic. As a result, global OTT TV subscriptions reached 1.1bn in 2020, overtaking global pay TV numbers for the first time led by Netflix which added 36m subscribers in 2020 to cross the 200m total subscriber milestone and Disney+ (not held) which reached 95m subscribers having only launched in November 2019. In contrast, the pandemic created a perfect storm to accelerate 'cord-cutting' with linear TV providers suffering their worst year of subscriber losses yet; by 2024, more than one-third of US households are expected to have cut the pay TV cord. In addition, the pandemic may have also confined the 90-day theatrical window to history as major film studios were forced to consider premium video on-demand (PVOD) and window changes with cinemas shut. Despite these medium-term tailwinds, 2021 may prove a trickier year for streaming platforms due to difficult comparisons and weaker near-term user growth due to earlier 'pull-forward' as evidenced by disappointing recent results from both Netflix and Spotify.

Videogaming stocks enjoyed an exceptional year as people encouraged to stay at home and limit social interaction turned to gaming for entertainment, escapism and socializing. The market is estimated to have grown c.20% to $175bn in 2020 (in stark contrast with North American box office which declined 82% to $2.1bn) driven by more players and greater engagement. Although investors are concerned about the sustainability of growth (as per a number of other WFH winners) the videogaming market is expected to grow 8.2% in 2021 and reach $218bn by 2023 (7.8% CAGR) by which time the number of gamers could exceed 3bn worldwide. Growth this year should be buttressed by sales of next-generation consoles forecast at 30m units in 2021 versus just 6.5m units in 2020 due to component shortages. Pricing should also help with several publishers increasing next-generation AAA console games to $70 versus the $60 price point that has held for the past 15 years. Increased competition for content between platforms could also benefit publishers via lower take rates. Steam has already lowered its commission on the PC platform due to competition from direct-to-consumer channels and EPIC Games (owner of Fortnite) who are currently also challenging the economics of Apple's App Store this time in the courts. While risks remain, undemanding valuations and modest near-term expectations explain our continued exposure to the likes of Activision, Nintendo and Take-Two as well as a small position in Unity Software, a platform used to develop 71% of the top 1,000 mobile games in Q4'20. In addition to our pure plays, we also hold positions in most of the prominent gaming platforms / app stores including Apple, Alphabet, Amazon, Facebook, Microsoft and Tencent. Any of these companies could use stock price weakness to acquire content and follow the lead of Microsoft which in March, closed its $7.5bn acquisition of Bethesda - the second largest deal in gaming history.

In addition to the potential for growth deceleration associated with earlier pull-forward and more difficult comparisons, Internet stocks also face several additional risks. These include new legislation in the US following the Democratic clean sweep such as strengthening the Clayton Act, Sherman Act, or reforming Section 230 of the Communication Decency Act. In addition, DoJ / FTC investigations and antitrust lawsuits remain ongoing although most legal experts anticipate a 2-3 year timeline before final decisions. While we cannot rule out 'break-up' scenarios, we continue to regard them as unlikely, with a series of long and drawn-out legal cases instead our base case. We are also alive to the risk of tax reform, as mooted by President Biden and/or the imposition of additional digital taxes already being rolled out in Europe that address the digitalisation of the global economy. Although these risks appear manageable for now, new legislation introduced in China in late 2020 together with last-minute regulatory intervention ahead of the Ant Financial IPO was a timely reminder of the risk posed by regulation, particularly in countries where change can be implemented without much (any?) legal process.

The **fintech space** looks exceptionally well-placed to benefit from ongoing ecommerce growth, the broader acceleration of digital payment adoption trends and further penetration of digital technology into financial services. The pandemic saw next-generation companies develop covid-friendly solutions to support merchants including omnichannel and contactless checkout and many were involved in the rapid distribution of government stimulus to individuals and small businesses as incumbent banking infrastructure struggled against intense demand. It also led to an accelerated decline in the use of cash with 2020 results exceeding the previous projection for 2023 while the pandemic is said to have delivered five years of digital payments TAM expansion in just nine months. While ecommerce gains will necessarily moderate in the year ahead, payment pure-plays such as PayPal and Square (not held) should continue to benefit from more users, greater engagement and the development of their digital wallets into so-called 'super-apps' which could lead to a doubling of ARPU. The credibility of the Super App opportunity is supported by the experience in Asian markets while surveys suggest that nearly two-thirds of Americans would consider purchasing or applying for financial products through a technology company's platform instead of a traditional financial services provider. This rises to 81% for Americans aged between 18 and 34 years.

This consumer readiness hints at the potential for broader fintech disruption, the prospects of which have been greatly advanced by the availability of cheap, scalable 3P financial infrastructure combined with efficient online customer acquisition which has prompted a flourishing of innovation (and capital raising). This includes a plethora of exciting fintech trends including Neobanks, Banking-as-a-Service, Payment Facilitators, Buy-Now-Pay-Later (BNPL), Cryptocurrencies, digital currencies and distributed ledger technologies. While these trends are likely to enjoy varying success over the coming years, covid will likely mark the break point between the 'old world' of financial services (dominant incumbent banks, generic offerings, finance a ring-fenced activity) and the 'new world' of financial services (a plethora of specialized players, personalized offerings, finance *embedded* within other activities). Indeed, we participated in several fintech IPOs during the year including Lemonade (insurance) and Affirm (BNPL) reflecting our excitement about technology-driven disruption. However, we must also consider the unique risks and challenges that fintech brings with it including relatively uninformed buyers (inviting regulation) and more significant downside risks associated with experimentation (aiding incumbents). Non-financial companies have a mixed history of moving into full-service finance and apparent difficulty in maintaining returns at greater scale, in stark contrast with the software industry. For now we are treading carefully with our fintech exposure largely explained by PayPal and the networks (Visa, Mastercard) which, after a more challenging year due to reduced international travel, should enjoy higher transaction volumes alongside higher nominal GDP aided by a travel recovery (of sorts) and a higher mix of contactless in-store.

The worldwide economic recovery should also provide continued tailwinds for the **semiconductor** industry, one of our more economic-sensitive subsectors. After initial

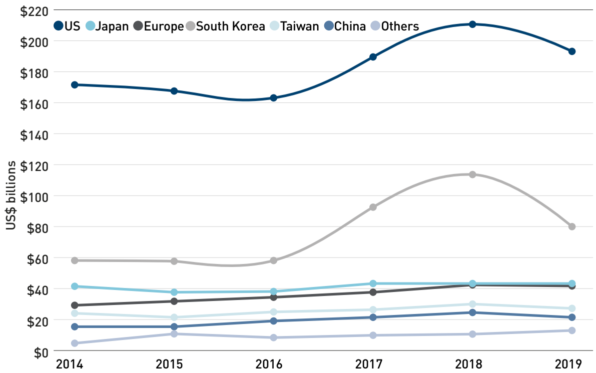
Investment Manager's Report continued

covid-related setbacks, the need to support remote work and learning, as well as surging economic activity in China drove a demand recovery throughout 2020 with industry revenues increasing 7.3% y/y reaching $470bn. This was supported by the rollout of **5G smartphones** (boosting semiconductor content by c.18%) and lifestyle changes triggered by the pandemic which led a strong automotive recovery and an accelerated transition to **electric vehicles** by major automotive OEMs. These trends, combined with Intel's ongoing struggle with its 10nm process resulted in a remarkable year for the foundry sector which grew revenues by c.21% y/y to over $75bn. Despite some concerns about potential double-ordering (as lead times extend) and potential US-China trade / IP tension, we remain excited about the outlook for semiconductor companies as these trends and the global economic recovery extend. We also believe we remain in the early stages of AI-related opportunities that should help the industry continue to outgrow GDP. In the past, the prohibitive cost of analytics has meant that only 1% of data created was analysed, but now machine learning (ML) and artificial intelligence (AI) enables the analysis of massive unstructured datasets at vastly lower cost. According to Open AI, the demand for compute driven by deep learning networks has been doubling every 3.5 months since 2012. The growth of AI-related workloads should continue to benefit the likes of AMD and Nvidia, which in turn should help TSMC sustain its high market share in leading edge nodes.

We also continue to favour **memory** chip companies such as Samsung and Micron as leveraged plays on the growth of the so-called data economy. Having taken unprecedented action to reduce wafer input and cutting capex in 2019, this consolidated subsector has maintained capital spending discipline during 2020. In addition, the combination of technology complexity and diminishing output increases during node migration has also led to a structural slowdown of supply growth; DRAM wafer density (measured in Gb/wafer capacity) is expected to grow at just 6% CAGR between 2019-2020, compared to 14% between 2015-2018 and more than 50% pre-2013. If the current investment discipline continues, the DRAM market might yet turn into a structural growth market; Gartner currently expects the DRAM industry to generate over $100bn revenue in 2022. We also continue to favour semiconductor manufacturers with exposure to powertrain electrification such as Infineon, Littlefuse and STMicroelectronics while the 5G transition should drive near-term earnings at the likes of Qualcomm, Marvell and MediaTek. While we have recently skewed our semiconductor exposure more towards cyclical segments (where changes in price are more important than volume growth), we also continue to hold a number of companies with unique exposure to high growth subsectors.

Robust semiconductor demand (with shortages in a number trailing-edge nodes due to unexpected PC and automotive-related strength as well as some recent fab outages) should continue to benefit **semiconductor equipment (WFE)** suppliers. Our own enthusiasm is driven more by higher capital intensity at the leading edge known as *Moore's Stress* which has seen WFE increase from low-teens to 15.3% in 2020. As we look into 2021, we expect growth to remain robust with China (absent a potential export ban) likely to continue to spend aggressively as it pursues self-sufficiency in semiconductor manufacturing.

China lags peers in semiconductor revenue
Semiconductor revenue, by location of headquarters



Source: SIA

In addition, TSMC expects to invest $100bn in capex over the next three years (as compared to $25-28bn in 2021) while Intel* plans to enter the foundry market which will see it spend $20bn on two new fabs in Arizona during the next two years, while Samsung is spending $116bn over a decade to expand its own foundry business. This should benefit our front-end equipment holdings such as ASM Lithography, Applied Materials and Tokyo Electron. We are also excited about several back-end equipment vendors due to the trend towards 'chiplet' design - replacing monolithic die with multiple small dies in a unified package – as used by AMD to wrest back CPU share from Intel. Chiplets, together with the use of advanced packaging technologies, are helping the industry contend with Moore's Stress while also making it possible to tailor new chips for different end markets and use cases without expensive tape-outs.

Like semiconductors, the **industrial automation (IA)** industry has also embraced the opportunities arising from the pandemic while benefiting from the move towards more regional supply chains. Not only has covid accelerated the adoption of factory automation (FA) across a wider group of manufacturers, but it has also triggered urgent reviews of supply chains, many of which have resulted in the trend towards "near-shoring" resulting in further demand for IA. Lastly, changing work patterns have led to an increase in vehicle ownership and surging home capex, both of which provided strong additional IA tailwinds. While overall sector sales remained at a cycle lows due to muted demand from developed markets, 2020 may prove to be one of the best ever years for the industrial automation industry because of TAM expansion driven by widespread, unprecedented urgency of adopting automation. The medium-term outlook looks constructive with the IA market expected to reach $229bn by 2025, up from $152bn in 2020 representing a CAGR of 8.6%. Industrial robots are likely to drive most of the incremental growth due to EV penetration. In addition, supply chain disruption brought on by the pandemic, together with the deteriorating relationship between the US and China has forced companies to rethink their long-term supply chain management strategies, shifting focus towards stability and away from just production costs. It is estimated that up to 30% of Chinese exports are potentially at risk of relocation which would result in $70bn of new capex. Longer-term, we believe that traditional production lines will be transformed with the ultimate goal of handling a batch size of one due to the integration of machine vision, industrial IoT, real-time analytics and AI.

The integration of **artificial intelligence** into core workflows supports the notion that AI is moving well beyond the R&D stage after years of fine-tuning models, thanks to greater availability of domain-specific datasets and astonishing performance improvements of dedicated hardware. In many ways, 2020 witnessed the industrialisation of artificial intelligence (AI). Natural language processing (NLP) remains a key battleground given its disruptive potential. Open AI upgraded its transformer-based model to GPT-3 in June 2020, which now features 175bn parameters with the potential to mimic how humans perform without the massive datasets normally required for pre-training. Google has pushed the boundary even further by redesigning the routing algorithm to select different parameters for each incoming data sample and enabling a sparsely activated model with an outrageous number of parameters (1.57trn parameters used in Google's mT5-Base model) to be trained. In our view, these breakthroughs represent the beginning of the next generation of AI.

The rapid industrialisation of AI has been particularly pronounced within the healthcare industry. Drug discovery - a $1.25trn industry - is the largest expenditure in drug development. On average, a new drug requires $2bn of R&D and 12 years to develop but the failure rate stands at 90%. The drug discovery journey starts with 1060 estimated drug-like compounds. AI has become the most powerful technology to improve experimental accuracy and perform molecular simulation to accelerate the process of drug discovery. AI-infused drug discovery is projected to become a $40bn market by 2027. Google has continued to fine-tune its DeepVariant, a convolutional neural network (CNN) based sequencing data analytic model, which can reduce read errors on a 35-fold coverage Illumina whole genome to ~22,000 errors from ~73,000 errors. Google's DeepMind also managed to solve the *protein folding problem*, a 50-year-old grand challenge in biology. Predicting the 3D structure of a protein based solely on its 1D amino acid sequence has been previously attempted by trial and error using specialised equipment due to the outrageously high number of possible configurations of a typical protein. The near impossibility of the task led to the so-called Levinthal's paradox in 1969 – while proteins fold spontaneously within milliseconds in nature, it would take longer than the age of the unknown universe for researchers to enumerate all possible configurations of a typical protein, estimated to be 10300 possible configurations! However, DeepMind's *AlphaFold 2* solved the challenge, predicting the percentage of amino acid residues within a threshold distance from the correction position, with an average error of 1.6 nanometres.

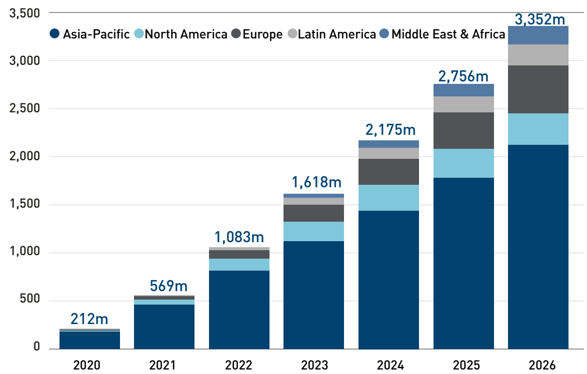
The commercialisation of this technique will fundamentally change drug discovery. The virtual screening (docking) technique has also been dramatically improved by embedding deep learning, which now can process billions of molecular structures in a rapid and accurate fashion. This Deep Docking approach realises up to 100-fold data reduction and 6000-fold data enrichment for candidate drug molecules. It was used to accelerate virtual screening of a 1.3bn compound library to help identify 1000 quality candidate compounds to inhibit the SARS-CoV-2 main protease. The process was completed in one week, compared to three *years* with previous approaches. Developments such as these further demonstrate the potential of AI to fundamentally change the "hit-or-miss" business model for drug developers, which brings the hope of acceleration in developing drugs for rare diseases that have not been adequately addressed due to high development cost and low return. We continue to believe that the semiconductor and semiconductor equipment industries represent leveraged ways to play AI proliferation with ML-related compute doubling every 3.4 months. By 2025,

Investment Manager's Report continued

AI-related demand is expected to account for 20% of total semiconductor demand; semiconductor companies are likely to capture 40-50% of the total value from this technology stack, representing the best incremental opportunity for the industry in decades.

5G also remains an important theme within the portfolio. Infrastructure rollouts began in earnest during 2020 and were not meaningfully delayed during the pandemic which speaks to the perceived strategic and economic importance for this cycle. Whereas previous mobile generations saw value largely accrue to new applications (that make use of the improved speeds etc) rather than the infrastructure providers, this may not be true for 5G where new technologies (such as dynamic spectrum sharing, densification and network slicing) represent significant incremental content opportunities. In addition, the travails at Huawei (with over 30% market share globally) represents a significant opportunity for Samsung (held), Ericsson and Nokia (neither held) to recover lost ground with better pricing dynamics too. However, OpenRAN - a 'white-box' solution for the telecom network which separates the software operating system from the underlying hardware may threaten this cosy 5G cycle. As such, our 5G infrastructure exposure is via component suppliers such as Marvell and Lattice Semiconductor. However, we have far greater exposure to smartphones where 5G is expected to account for c.600m subscriptions worldwide this year, almost tripling from the 2020 total. By 2022, 5G subscriptions should surpass 1bn, becoming the de facto standard according to Ericsson. A richer mix of 5G smartphones should held chip companies such as Qualcomm with the new devices said to boost semiconductor content by c.18%.

Global 5G Adoption to Hit One Billion in 2022
Forecast of 5G smartphone subscriptions by regions (in millions)



Source: Ericsson Mobility Report
Forecast as of June 2021

Having sold more smartphones in the last quarter of 2020 than any company ever before in a single quarter, **Apple** remains a key beneficiary of 5G adoption. The new technology (included as standard across the iPhone 12 range) has driven a so-called 'super-cycle' while helping iPhone ASPs increase by an estimated $170 y/y to $880. In addition, the pandemic appears to have improved iPhone upgrade rates among Apple's most affluent customers while boosting sales of Mac and iPads which in Q2 increased c.70% and c.79% y/y respectively. Together with iPhone sales that increased 65% y/y, Apple's Q2 was arguably the best quarter we have ever seen from a mega-cap technology company with revenues +54% ahead of the prior year helping the company to generate a breath-taking $24bn of operating cash flow. As well as proving a harbinger of trickier times for technology / growth stocks, the muted reception to Apple's blowout quarter reflects likely deceleration ahead with a more evolutionary iPhone 13 cycle and difficult comparisons in every business line looming. In addition, chip supply shortages may cap demand upside for now.

That Apple continues to represent one of our largest holdings while remaining our largest underweight position relative to the benchmark reflects the uniqueness of its investment story. Against a backdrop of a fairly fully penetrated smartphone market, Apple has been able to deliver growth at scale unlike any company we can recall by delighting its customers (and shareholders) with products and services that have transformed our lives. In the past quarter, iPads alone (<10% of overall Apple revenues) generated more sales than McDonalds! Apple's core strength remains its installed base of more than 1bn iPhones and 1.6bn overall active devices at the end of 2020. This vast customer base is engaged, evidenced by 27% y/y growth in its services business last quarter, Apple's highest margin business now accounting for c.19% of total sales. In addition, leadership of ancillary markets such as headphones and smart watches (c.25% market share in each during 2020) reflects Apple's ability to create (and dominate) new product categories to sell to its adoring (and mass affluent) audience with regularity. The recent introduction of *AirTags* – Bluetooth tags that can be attached to items like keys in order to track them – could become the next billion-dollar business for Apple. Beyond this, Augmented and Virtual Reality (AV/AR) together with autonomous vehicle (AV) represent future opportunities for Apple to address. For now, we are unlikely to change our positioning significantly with upside associated with recent valuation compression offset by greater uncertainty associated with App Store economics (EPIC lawsuit, EU antitrust investigation), difficult WFH-related comparisons and (tail) risk to an estimated $9bn of high-margin payments paid by Google to secure default search engine position on Safari / iOS.

In addition to our core themes, there are a number of **emerging themes** that we are excited about. One of the most exciting and far-reaching of these is clean energy particularly after a year that saw governments get serious about climate change with112 countries and the EU committing to "Net Zero" targets by the end of 2050 and China pledging to do so by 2060. The election of President Biden brought a recommitment to the Paris Agreement, the EU launched the European Green Deal, while the UK has vowed to "Build Back Greener" after the pandemic. Such policies have resonated with the public while triggering a surge of interest in clean energy stocks, with the roadmaps and improved funding environment providing visibility into which technologies are progressing towards commercial scale. We are particularly excited about the improved prospects for **hydrogen** – 'an essential element in the energy transition' which could account for 24% of final energy demand and 5.4m jobs by 2050". The first phase of the EU's hydrogen strategy has targeted at least 6GW of green (i.e., entirely carbon free) hydrogen electrolysers which alone amounts to 60x the installed base of hydrogen electrolysers as of 2019. Industry leader Nel ASA (not held) has also announced a $1.50/kg target for producing green hydrogen by 2025 which would represent a 70-75% reduction from today's cost and potentially represent a monumental step toward widespread commercial adoption. The **solar** industry - already cost-competitive in many parts of the world - also looks well-placed to benefit from the goal of carbon neutrality, not least because green hydrogen requires a renewable energy input. We are also excited about modernisation opportunities in the **power grid** with an estimated $14trn of investment required globally by 2050 to enable the transition from stable fossil fuel power energy generation to the more intermittent nature of renewable energy. However, the long duration nature of many of these opportunities make them highly sensitive to interest rates which together with elevated valuations (even following recent share price weakness) explains our relatively modest exposure to pure-play clean energy investments today.

However, we have greater exposure to **electric vehicles** which are likely to represent a critical part of any green solution given that transportation is responsible for almost one-quarter of direct global emissions from fuel combustion. Together with autonomy and connectivity, we believe that electrification represents the biggest revolution in the automotive industry since Henry Ford unveiled the Model T in 1908. As with many other secular trends, the pandemic accelerated growth with sales of global plug-in electric vehicles (PEV) increasing 43% y/y in 2020 (from 10% in 2019) to just over 3m units. This represented global penetration of 4.2% but more than 10% in Europe. Tesla (held, now sold) significantly outperformed driven by strong execution – nearly 500k deliveries, +36% y/y despite the pandemic and GAAP profitability, albeit dependent on regulatory credits. It also benefited from a number of positive catalysts (Battery Day, S&P 500 inclusion) combined with retail investor enthusiasm. The outlook for continued EV growth looks attractive with IHS expecting volumes to growth at a 52% CAGR to 12.2m units in 2025, while BNEF predicts that 26m EVs will be sold annually by 2030, equating to 28% penetration. This looks more than achievable and should be supported by numerous countries banning internal combustion engines in the 2030-40 timeframe.

Although we no longer hold Tesla (sold in early 2021 largely on valuation grounds) we continue to own small positions in both BYD and Volkswagen – automakers that we believe are well positioned to benefit from the adoption of new energy vehicles. In Europe, VW enjoyed 13% unit share of the PEV market in 2020 and actually outsold Tesla in Q4'20. We also have exposure to several semiconductor companies with disproportionate exposure to EV adoption such as Infineon, the world's leading power semiconductor supplier and supplier to VW with dollar content in a BEV said to be twice that of an ICE vehicle. We also have smaller positions in ST Microelectronics due to its exposure to Silicon Carbide (SiC) opportunities and Littlefuse which stands to benefit from 5x greater dollar content in an electric powertrain versus an internal combustion engine. We also continue to hold factory automation plays like **Cognex**, which capture the retooling/building of new production lines for electrification (batteries, lighter/mixed materials).

In addition, we own several companies with exposure to **autonomous vehicles** (AV) despite our view that mainstream adoption still remains 5+ years away. While AVs are already operating at limited scale in geofenced areas, most OEMs are focused on introducing lower level ADAS to meet regulatory requirements and level 2+ systems which augment, rather than replace the driver. However, the longer-term promise of fully autonomous vehicles remains substantial. Trucking alone is a $4tr market where the driver represents 39% of variable cost per mile while the US market looks ideal for autonomous solutions given that 10% of the nation's trade corridors account for nearly 80% of goods moved. In terms of the portfolio, we hold small positions in Aptiv, a tier one supplier with exposure to both active safety and high voltage electrification, Unity Software which repurposed its game engine for autonomous vehicle simulation and Seeing Machines, which provides driver monitoring systems to the commercial fleet

Investment Manager's Report continued

and automotive markets. We also gain exposure to the space through semiconductor companies such as Infineon, STMicroelectronics and NVidia as well as large technology companies like Alphabet and Apple which have optionality in their autonomous vehicle development programs.

Healthcare represents another key emerging area following a remarkable year for the industry epitomised by the discovery of multiple vaccines in just ten months compared to an average development cycle of 10 years. We witnessed an unprecedented level of investment, data sharing and collaboration. In addition, the pandemic has provided the impetus for much-needed behavioural change that is often hard to achieve but, once attained, rarely goes into reverse. For example, **telemedicine** has evolved from a corporate perk to a vital part of the care continuum even if tough comparisons stymie stock progress of listed providers for now. Pharmacies are also (finally) moving online while the pandemic has greatly advanced the case for home health and remote care utilising wearables, diagnostics and smart home devices. These changes dovetail nicely with the shift towards value-based care in the US, which should accelerate given the drain on resources that covid has caused to a healthcare system now projected to be insolvent by 2024.

The pandemic has also helped to highlight the benefit of minimising any interactions that are invasive, time consuming and labour intensive. This should strengthen the case for molecular diagnostics in mass first-line screening which holds the promise of saving lives and materially reducing healthcare costs. We are focused on the liquid biopsy market for cancer screening, a market valued at c$70bn in the US alone, via a small holding in Guardant Health. Penetration is low today, with usage primarily focused on tumour mutations, but we believe that vastly improved technology coupled with the experience of 2020 have sufficiently tipped the scales in any cost/ benefit analysis. We are also hugely excited about the potential of AI to ease back-office burdens, reduce waste and streamline processes in healthcare settings. The pandemic has also accelerated AI triage, lowering the hurdle (and scepticism) amongst the medical community for these technologies. Combined with ongoing advances in natural language processing (NLP), commercial solutions such as those offered by Babylon Health (private) are likely to be the first of many. Microsoft's recently announced c$20bn acquisition of Nuance Communication – a leader in voice recognition focused on the healthcare domain – reflects this significant medium-term opportunity.

We are also excited about the **rise of the metaverse**, platforms for shared online experiences where people can interact in virtual environments to play, learn and work together. This emerging theme has benefited from the lack of physical gatherings during covid epitomised by the Travis Scott concert within Fortnite watched by 12m people in-game and a further 140m on YouTube. We have a taken a position in Roblox because of its potential as a creative gaming platform where content development is outsourced (meaning the product is constantly evolving) with revenues generated largely via fees on in-game transactions. A recently signed partnership with Hasbro reflects this potential with more than 42m daily active users (DAUs) – mostly younger people - spending 9.7bn hours on the platform during Q1. We also own a starter position in Coursera, a leading online learning platform that serves 77m learners worldwide. We also remain excited about the long-term promise of **virtual reality** (VR) which represents the apogee of this theme but where adoption remains nascent with just 4.9m units sold in 2020. We are well placed to benefit from any inflection via holdings in Facebook, Unity Software and a tail position in eye-tracking solutions provider, Tobii Technology.

The rise of the metaverse represents one potential future for the widespread adoption of video as an alternative to face-to-face meetings, but the gap between 'where we are' and 'where we could get to' still feels substantial. The muted reception to Apple's 'drop the mic' Q2 and the subsequent narrative shift epitomises the issue facing the technology sector today – victim of its own stunning success unable to prove its durability at a time when other sectors are more straightforward beneficiaries of margin improvement, economic reopening and/or inflation. While some of this is optical (reflecting difficult comparisons from Q2'20 onwards) we may have to wait until 2H22 before the technology sector is able to reassert its superior earnings growth profile. Despite this, *absolute growth* should remain robust with the information technology sector currently forecast to deliver revenue growth of 15% and 8% in both 2021and 2022, ahead of the S&P 500 in both years. We expect our own portfolio to deliver revenue growth in excess of this given our growth-centric approach; current bottoms-up models estimate nearer to c20% in both years. As such, we will look to take advantage of any sector weakness as long as it remains driven by adverse rotation and divorced from robust fundamentals. With inflation becoming a key focus for investors, we understand the temptation to declare the end of one investment regime and the beginning of another. Rather than considering the pandemic as last cycle's 'crowning moment', we believe that – in time – it, and a new resulting work modality, will prove the foundation for the next-wave of technology disruption. This will see our sector extend its reach into large and relatively untapped markets such as financial services, healthcare, food and education.

Ben Rogoff & Team

20 July 2021

Environmental, Social and Governance (ESG)

ESG

Environmental, social and governance issues have become more prominent in the technology sector in recent years. Technology has reshaped society and the economy, and the speed of that change has brought great friction. Overall, we feel that while the sector may have contributed to many environmental, social and governance problems as well as solve others, it also has the singular capacity to alleviate many of them by providing the innovation at scale required to meet such existential challenges. One inevitable consequence of the digital transformation of the world is that the world's problems are increasingly being expressed digitally.

Our Approach to ESG

We have integrated sustainability risks into our investment decision making process both at the initial due diligence phase and as part of ongoing position monitoring. We consider ESG risks in conjunction with financial analysis and take a balanced approach to both when considering any investment. We aim to maximise shareholder returns while also considering ESG factors and the impact on the world in which we all live.

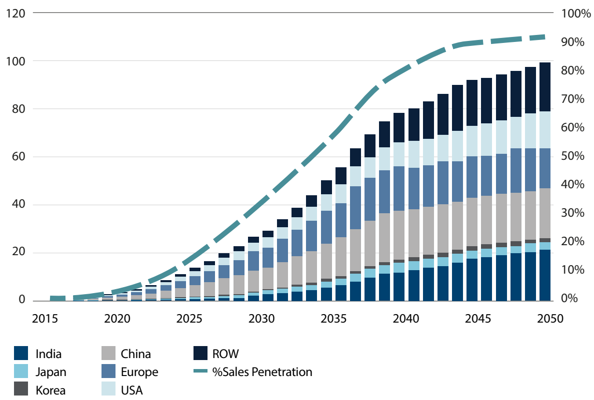
We have adopted ESG analysis/scoring framework from MSCI which ranks each of our holdings (AAA to CCC) on each factor relative to similar technology companies enabling us to better challenge the underperformers and/or make more informed decisions. Whilst our investment process is not driven by ESG our aim is to improve the behaviour of our companies and avoid the worst offenders (any highlighted CCC in ESG scoring must be challenged on the areas of most concern). Longer term we believe this also benefits performance because companies which disregard ESG factors are often poor investments as either public opinion or regulation eventually catches up with them. A poor rating alone is not a reason to exclude an investment if management are engaged with investors and committed to making improvements – in fact, this is better than an average company doing nothing. An improving company may also benefit from a wider investor audience and deliver strong returns.

We receive a monthly report as part of our monthly risk reporting process, and changes in a company's ESG rating are investigated by the analyst responsible for it. A company's sustainability risks are also placed in a wider context of our understanding of its businesses from our ongoing investment work, and often requires balancing competing interests and considerations. At a Polar Capital level we exclude all companies that are directly linked to the production and/or marketing of controversial weapons (cluster munitions, antipersonnel mines, depleted uranium etc.). We also exclude EU and UN Sanctioned entities and entities on the US OFAC list.

During the financial year ESG considerations played a significant role in our investment decision-making process. from both positive and negative perspectives. For example, as we moved the portfolio to a more cyclical footing, we increased our exposure to companies set to benefit from a 'Green recovery', including those with exposure to electric vehicles (see unit demand expectations chart below) and the clean energy supply chain, including power semiconductor providers and auto suppliers in a position to see material content gains as OEMs move aggressively from ICE to EV and AV (see chart below).

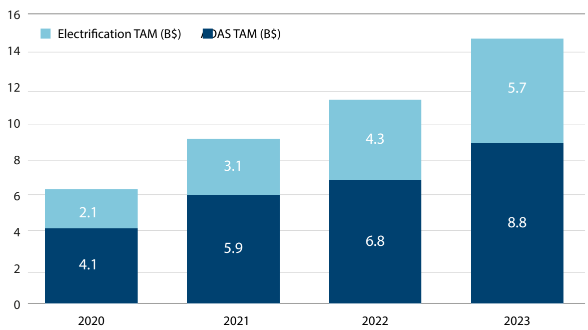
On the negative side we reduced our position in Peloton on both social impact and governance concerns following the news that the company was refusing to comply with a CPSC recall order over a Treadmill design flaw which tragically resulted in the death of a child.

Global Electric Vehicle Forecast & Penetration Rate



Source: Morgan Stanley, October 2020

Automotive Semiconductor Total Addressable Market Forecast



Source: STMicroelectronics, October 2020

Environmental, Social and Governance (ESG) continued

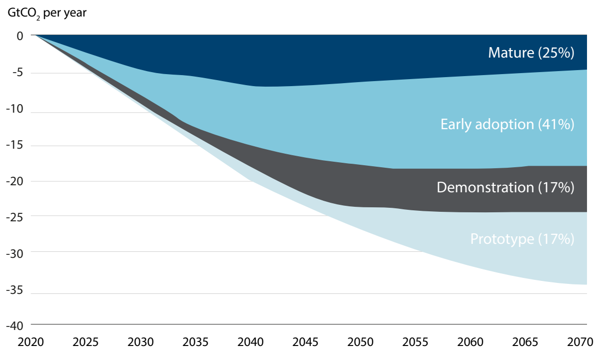
We were disappointed with management's failure to take full responsibility for their product's safety, and that this approach brought with it an elevated level of risk from a reputational and regulatory perspective. We are also extremely wary of such short-term thinking from management teams in industries and subsectors that will take many years to play out. We expect our companies to react swiftly, responsibly and decisively to safety issues in the interests of protecting their users, brand and shareholders, and to operate their businesses with a view to maximising long-term returns for all their stakeholders.

Background to ESG

A September 2020 paper by former Treasury Secretary Larry Summers attempted to assess the social returns to innovation and "*found that the social returns are very large. Innovation efforts produce social benefits that are many multiples of the investment costs.*" Even under very conservative assumptions, it is difficult to find an average return below $4 per $1 spent. Accounting for health benefits, inflation bias, or international spillovers can bring the social returns to over $20 per $1 spent, with internal rates of return approaching 100%.

Some have argued that covid represents an inflection point in humanity's battle with climate change as people recognize that environmental problems – whether viruses, forest fires or seas levels – can still threaten their existence. One Democratic Congressman described the COVID crisis as "a dress rehearsal for addressing the catastrophic impacts of climate change". Political norms have shifted in favour of more activist government policies, and collective action measures such as national lockdowns are both possible and indeed desirable (national lockdowns are one of the most popular policies a UK government has ever devised). Higher government spending on green initiatives has been accepted and even rewarded by voters, and some are calling for more extreme self-imposed measures to contain the risks of climate change. Recovery investment plans such as the EU's Green Deal explicitly call for a recovery that will "build the bridge between fighting COVID-19, biodiversity loss and climate change". A green recovery will provide many opportunities for technology companies and will be crucial in the effort to mitigate the impact of climate change. The IEA has announced that "without strong and targeted R&D efforts in critical technologies, net-zero emissions are not achievable" and that "technological change…drives the clean energy transition in the Sustainable Development Scenario". More than one third of the cumulative CO2 emissions reductions seen in the Sustainable Development Scenario (2070) derive from technologies currently at the prototype or demonstration phase and a further 40% derive from technologies that have not yet moved beyond early adoption.

Global energy sector CO_2 emissions reductions by current technology readiness category in the Sustainable Development Scenario

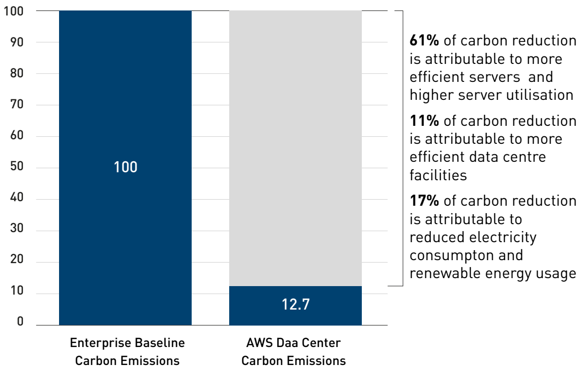


Source: IEA, 2020

E: THE ENVIRONMENTAL IMPACT OF THE TECHNOLOGY SECTOR

Despite a trillion-fold improvement in the energy efficiency of computation since 1946, datacentres and data transmission networks already consume ~2% of the world's energy or ~360TWh per year – about the same as the global aviation industry. Perhaps surprisingly, the absolute energy draw of datacentres has remained flat over the past 5 years even as workloads have tripled and traffic has quintupled. This is because computation has shifted from traditional corporate datacentres to more energy-efficient 'hyperscale' cloud datacentres run by Amazon, Microsoft and Google. Hyperscale cloud operators can operate dramatically more efficiently than on-premise due to higher server utilisation and more energy-efficient infrastructure. Furthermore, the leading cloud players have been forthcoming in switching to renewable energy to power their operations such as Microsoft's commitment to be carbon negative by 2030 and Amazon's commitment to power 100% of operations renewably by 2025. A case study from Berkeley suggested that moving common software applications to the cloud could reduce energy usage by 87%, and a "451 Research" found that AWS performed the same task with an 88% lower carbon footprint than the median US datacentre.

Carbon efficiency of AWS infrastructure compared to surveyed US enterprises



Source: 451 Research

Disruptive technological trends including EVs, AI and cryptocurrencies have profound environmental consequences, which have been discussed at length elsewhere in this report. The shift towards a 'hybrid world' provides a glimpse into a lower-carbon future associated with lower frequency long-distance travel and the transformation of more activity from relatively carbon-intensive 'atoms' into less carbon-intensive bits. We expect companies driving digital transformation agendas to leverage these in support of their environmental impact transformations, and the technology companies supplying them to support this. From an environmental perspective, we consider a company's reliance on materials and industrial processes that have a negative environmental impact, the potential impact of future environmental legislation and regulation, and the potential impact of environmental factors and climate change on the company's infrastructure, supply chain and customer base.

S: THE SOCIAL IMPACT OF THE TECHNOLOGY SECTOR

The 'social impact of technology on the world' is too broad to cover fully in this report. As with technology's environmental impact, we see a complex picture of harmful and supportive forces. Electronic learning and 'fake news' are two strands in the same thread: the democratization of both the production and consumption of information. Technology companies have rightly come under immense pressure to demonstrate they are working to keep their platforms as clear as possible of factually untrue or potentially harmful information and we have engaged with company representatives to understand how they are doing this. It is a less happy consequence of 'software eating the world' and the world moving online that longstanding social problems like intolerance and inequality are now expressed via these mediums. This should not, however, preclude technology companies from abnegating their responsibilities to their stakeholders. One trend remains clear which makes this particularly challenging: the apparatus of government and evolution of social attitudes have struggled – or even failed – to keep pace with technological change. 61% of respondents in a survey agreed with the statement that 'Government does not understand emerging technologies enough to regulate them effectively', and fully 74% agreed that 'CEOs should take the lead on change rather than waiting for government to impose it'.

We consider 'Social' factors in our investment decision-making process insofar as they are likely to impact a company's long-term prospects. This can include considering the trade-offs required for a new technology to move up (or fail to move up) an adoption curve as soon we expect. For example, the growth and profitability of online advertising relies on users giving up some privacy if ads served to them are to become more effective over time. From a social perspective, we evaluate a company's approach to the social impact of their policy decisions (e.g. online content moderation policies) and the potential social, regulatory or customer responses that could ensue. We also consider a company's approach to the treatment of its staff, including the policies and procedures in place designed to ensure fair employee treatment. Judging the quality of a management team and seeing how they respond to negative theses on their company can provide tremendous insight into the strength of the business case and quality of the leadership.

G: GOVERNANCE ISSUES IN THE TECHNOLOGY SECTOR

We have always considered governance as part of our investment approach and have voted against board resolutions on many occasions, especially in Asia where governance tends to be weakest. We subscribe to ISS's proxy voting advisory service and during the year we voted against management on 14% of occasions and against ISS's recommendations on 1% of occasions. We provide both formal and informal advice where we feel it is appropriate and on occasion have written

Environmental, Social and Governance (ESG) continued

formally to the boards of our holdings. We are actively engaged around executive pay and the use of stock option awards is something we discuss in many of our company meetings. This is an area we are very focused on given the financial – as well as moral - impact associated with stock issuance as some company management teams enrich themselves excessively at the expense of investors via excessive equity dilution. We consider a company's adherence to required or optional governance frameworks, the impact of different share structures on minority shareholder rights and board independence, the appropriateness of the company's compensation structures, use of stock options, overall levels of remuneration, the policies and procedures of the company in relation to matters such as anti-bribery and anti-corruption, and the company's data governance and cyber security preparedness.

The fiscal year also saw an intensification of ESG regulatory and standards body activity in response to growing investor and government appetite for further disclosure and reporting. Five of the major ESG standards boards / sustainability framework providers (Carbon Disclosure Project (CDP), Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB)) released a Statement of Intent to work towards a shared vision of comprehensive corporate ESG reporting. The EU has been at the forefront of a regulatory effort given it estimates that additional investments of E260bn a year are required by 2030 to reach climate targets (at least a 55% reduction in greenhouse gas emissions vs 1990 levels, 32% share of renewable energy and 32.5% improvement in energy efficiency). It is in the process of introducing the Corporate Sustainability Reporting Directive (CSRD) for corporates, Sustainable Finance Disclosure Regulation (SFDR) for financial market participants and new EU Taxonomy for both, to tie in with European Green Deal objectives. The UK is also working towards its own green taxonomy and ESG disclosure regime and plans to make climate-related financial disclosures mandatory for many firms including asset managers by 2025 in line with recommendations from the Task Force for Climate-related Financial Disclosures (TCFD).

Alastair Unwin

Fund Manager
On behalf of Polar Capital LLP

20 July 2021

Portfolio Review

Performance Attribution

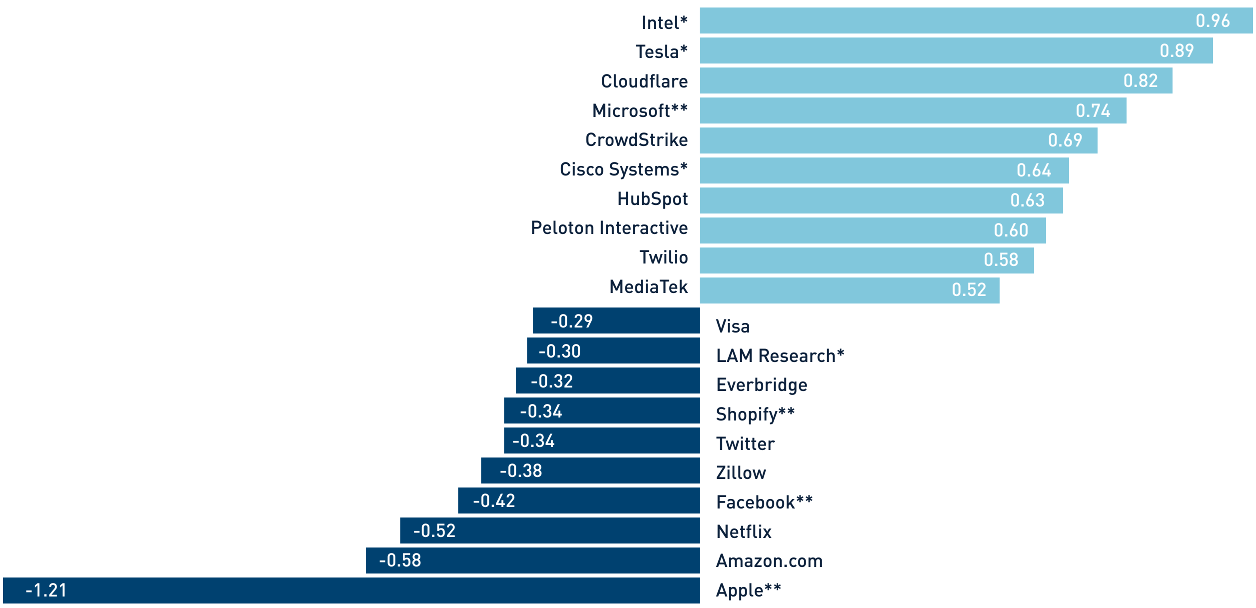
Movement in net asset value (total return) per share

Over the year to 30 April 2021 the Net Asset Value per share rose by 45.5% compared to the total return provided by the Benchmark of 46.4%.

	%	%	Pence per share
NAV per share at 30 April 2020			**1715.59**
Benchmark total return		46.4	
Investment Manager's Added Contribution			
Stock Allocation Effect	3.2		
Stock Trading and Timing Effect	-0.3	2.9	
Other factors			
Liquidity/gearing effect	-3.0		
Ongoing charges including performance fee	-0.8	-3.8	
Performance of NAV		45.5	780.85
NAV per share at 30 April 2021			**2496.44**

Performance attribution by investment

The top ten relative contributors and the bottom ten relative detractors from performance over the year to 30 April 2021.

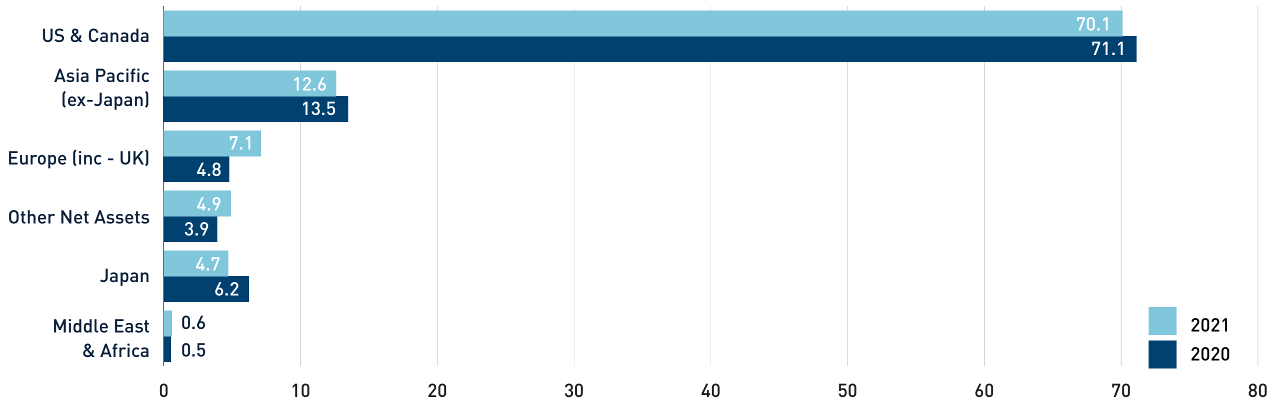


All of the above companies were held during the year to 30 April 2021. All data sourced from Polar Capital LLP.
*not held at the year ended 30 April 2021/**underweight position relative to the Benchmark.

Portfolio Review continued

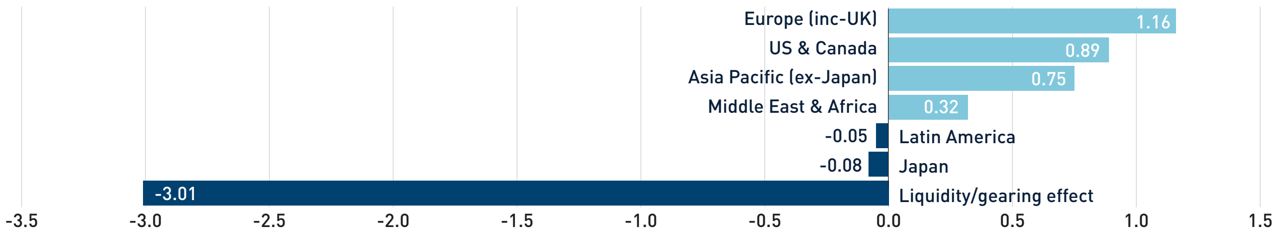
Breakdown of investments by region

as at 30 April 2021



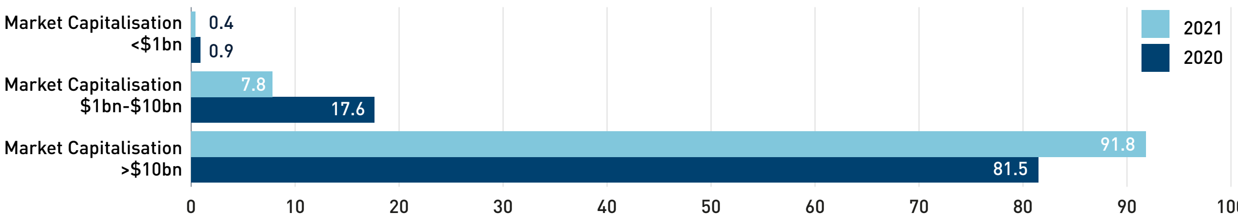
Performance attribution by region*

year to 30 April 2021



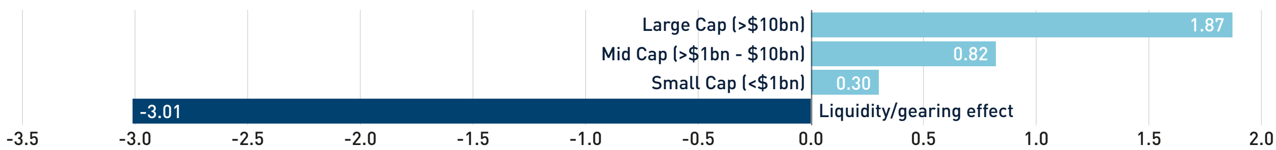
Market capitalisation of underlying investments

as at 30 April 2021



Performance attribution by market capitalisation*

over the year to 30 April 2021



* This represents the gross return of the fund minus the benchmark return. This reflects the attribution effect where the fund's return is compared to the benchmark return.

Classification of Investments*

as at 30 April 2021

	North America %	Europe %	Asia Pacific (inc. Middle East) %	Total 30 April 2021 %	Total 30 April 2020 %	Benchmark Weightings as at 30 April 2021 %
Software	24.2	0.2	0.8	25.2	24.9	26.3
Interactive Media & Services	17.3	-	2.3	19.6	16.2	19.7
Semiconductors & Semiconductor Equipment	9.4	3.5	5.4	18.3	17.9	20.9
Technology Hardware, Storage & Peripherals	9.0	0.1	3.4	12.5	10.1	18.1
Internet & Direct Marketing Retail	1.6	1.1	2.3	5.0	8.9	3.5
IT Services	3.4	-	0.1	3.5	4.6	6.5
Electronic Equipment, Instruments & Components	0.9	0.4	1.5	2.8	4.9	0.5
Entertainment	1.6	0.7	0.2	2.5	3.6	0.9
Machinery	-	-	1.3	1.3	1.4	-
Diversified Consumer Services	0.9	-	-	0.9	-	-
Leisure Products	0.4	-	0.4	0.8	0.3	-
Healthcare Providers & Services	0.7	-	-	0.7	-	-
Automobiles	-	0.4	0.2	0.6	-	-
Auto Components	-	0.4	-	0.4	-	-
Aerospace & Defence	0.4	-	-	0.4	0.6	-
Healthcare Equipment & Supplies	0.3	-	-	0.3	0.3	-
Electrical Equipment	-	0.2	-	0.2	0.2	-
Media	-	0.1	-	0.1	-	0.2
Communications Equipment	-	-	-	-	1.9	2.5
Diversified Telecommunication Services	-	-	-	-	0.3	0.3
Total investments (£3,243,034,000)	**70.1**	**7.1**	**17.9**	**95.1**	**96.1**	
Other net assets (excluding loans)	3.1	1.4	1.9	6.4	6.4	
Loans	(0.8)	-	(0.7)	(1.5)	(2.5)	
Grand total (net assets of £3,408,763,000)	**72.4**	**8.5**	**19.1**	**100.0**	**-**	
At 30 April 2020 (net assets of £2,308,597,000)	73.7	5.9	20.4	-	100.0	

* The classifications are derived from the Benchmark as far as possible. The categorisation of each investment is shown in the portfolio available on the Company's website. Where a dash is shown for the Benchmark it means that the sector is not represented in the Benchmark. Not all sectors of the Benchmark are shown, only those in which the Company has an investment at the financial year end.

Portfolio Review continued

Top 10 Investments as at 30 April 2021

	Ranking 2021	Ranking 2020	Value of holding £'000 2021	Value of holding £'000 2020	% of total net assets 2021	% of total net assets 2020
Microsoft	1	(1)	296,561	236,529	8.7	10.2
Held since: 2007	Founded in 1975, the company is the largest software company in the world and has built a dominant franchise in desktop software through its ubiquitous Windows operating system, Office productivity software and Azure Cloud computing service.					
Alphabet	2	(2)	292,143	181,039	8.6	7.8
Held since: 2005	As the parent company of Google, the company is the dominant provider of Internet search, online advertising, web applications and tools and its Android (mobile OS) system combined with Chrome (browser) and Google Maps have enabled it to maintain its market leadership during the mobile internet transition.					
Apple	3	(3)	281,211	168,615	8.2	7.3
Held since: 2003	Apple is a leading supplier of personal computers, smartphones, tablets and accessories such as AirPods that feature or integrate with the company's proprietary OS X operating system. Other services include AppleTV, Apple Music and its subscription-based iCloud storage.					
Facebook	4	(4)	143,131	95,587	4.2	4.1
Held since: 2012 (IPO)	With over 2.6bn active monthly users, Facebook is the world's dominant social networking company. It also owns Instagram, a photo and video sharing social networking service and the instant messaging service WhatsApp.					
Samsung	5	(8)	115,503	62,654	3.4	2.7
Held since: 2007	A manufacturer of a very wide array of products ranging from components to finished products for both consumer electronics and industrial end markets. The company is particularly renowned for its high global market share in the fields of memory semiconductors (NAND/DRAM), LCD displays, and mobile smartphones/tablets.					
TSMC	6	(11)	110,029	43,321	3.2	1.9
Held since: 2001	Taiwan Semiconductor engages in the manufacture and sale of integrated circuits and wafer semiconductor devices. Its chips are used in personal computers and peripheral products; information applications; wired and wireless communications systems products; automotive and industrial equipment including consumer electronics such as digital video compact disc player, digital television, game consoles, and digital cameras.					
Alibaba	7	(5)	79,532	87,073	2.3	3.8
Held since: 2014 (IPO)	China's pre-eminent e-commerce company which provides consumer-to-consumer (Taobao, Tmall.com), business-to-consumer (AliExpress) and business-to-business (Alibaba.com) sales services via web portals, as well as financial services (Alipay).					
Tencent	8	(6)	78,674	74,327	2.3	3.2
Held since: 2009	Offering a suite of online services – primarily entertainment and communication related, Tencent provides leading Internet platforms in China which include QQ (QQ Instant Messenger) and WeChat.					
NVIDIA	9	(10)	74,141	49,804	2.2	2.2
Held since: 20016	NVIDIA is a US fabless semiconductor company with leading market share in graphics processors (GPUs) used in gaming, professional visualisation, data centre and automotive. Supported by its CUDA programming model, the company's GPUs are critical components in Artificial Intelligence (AI) platforms helping to train neural networks.					
ASML	10	(14)	61,023	34,081	1.8	1.5
Held since: 2001	ASML manufacturers complex lithography machines which chipmakers use to produce integrated circuits, or computer chips and provide chipmakers with hardware, software and services to mass produce patterns on silicon through lithography.					
Total			**1,531,948**		**44.9%**	

Full Portfolio

Ranking					Value of holding		% of net assets	
2021	2020	Stock	Sector	Region	30 April 2021 £'000	30 April 2020 £'000	30 April 2021 %	30 April 2020 %
1	(1)	Microsoft	Software	North America	296,561	236,529	8.7	10.2
2	(2)	Alphabet	Interactive Media & Services	North America	292,143	181,039	8.6	7.8
3	(3)	Apple	Technology Hardware, Storage & Peripherals	North America	281,211	168,615	8.2	7.3
4	(4)	Facebook	Interactive Media & Services	North America	143,131	95,587	4.2	4.1
5	(8)	Samsung Electronics	Technology Hardware, Storage & Peripherals	Asia Pacific	115,503	62,654	3.4	2.7
6	(11)	Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Asia Pacific	110,029	43,321	3.2	1.9
7	(5)	Alibaba	Internet & Direct Marketing Retail	Asia Pacific	79,532	87,073	2.3	3.8
8	(6)	Tencent	Interactive Media & Services	Asia Pacific	78,674	74,327	2.3	3.2
9	(10)	Nvidia	Semiconductors & Semiconductor Equipment	North America	74,141	49,804	2.2	2.2
10	(14)	ASML	Semiconductors & Semiconductor Equipment	Europe	61,023	34,081	1.8	1.5
Top 10 investments					**1,531,948**		**44.9**	
11	(73)	Applied Materials	Semiconductors & Semiconductor Equipment	North America	59,068	7,458	1.7	0.3
12	(17)	Adobe	Software	North America	53,963	30,095	1.6	1.3
13	(9)	Advanced Micro Devices	Semiconductors & Semiconductor Equipment	North America	52,175	50,291	1.5	2.2
14	(16)	PayPal	IT Services	North America	49,636	31,514	1.5	1.4
15	(7)	Amazon.com	Internet & Direct Marketing Retail	North America	47,029	71,522	1.4	3.1
16	(-)	Infineon Technologies	Semiconductors & Semiconductor Equipment	Europe	44,581	-	1.3	-
17	(35)	HubSpot	Software	North America	44,270	16,058	1.3	0.7
18	(-)	Snap	Interactive Media & Services	North America	41,944	-	1.2	-
19	(-)	DocuSign	Software	North America	41,230	-	1.2	-
20	(-)	Micron Technology	Semiconductors & Semiconductor Equipment	North America	38,249	-	1.2	-
Top 20 investments					**2,004,093**		**58.8**	
21	(18)	Toyko Electron	Semiconductors & Semiconductor Equipment	Asia Pacific	38,083	24,102	1.1	1.0
22	(15)	ServiceNow	Software	North America	30,463	32,541	0.9	1.4
23	(29)	Zendesk	Software	North America	30,294	18,759	0.9	0.8
24	(23)	Visa	IT Services	North America	29,196	21,042	0.9	0.9
25	(28)	Mastercard	IT Services	North America	28,215	18,893	0.8	0.8
26	(-)	Seagate Technology	Technology Hardware, Storage & Peripherals	North America	28,123	-	0.8	-
27	(12)	Salesforce.com	Software	North America	25,730	42,538	0.8	1.8
28	(30)	CrowdStrike	Software	North America	25,213	17,895	0.7	0.8
29	(43)	Spotify Technology	Entertainment	Europe	24,472	13,506	0.7	0.6
30	(66)	Twilio	Software	North America	24,094	8,488	0.7	0.4
Top 30 investments					**2,287,976**		**67.1**	

Portfolio Review continued

Full Portfolio continued

Ranking					Value of holding		% of net assets	
2021	2020	Stock	Sector	Region	30 April 2021 £'000	30 April 2020 £'000	30 April 2021 %	30 April 2020 %
31	(-)	Match Group	Interactive Media & Services	North America	23,888	-	0.7	-
32	(-)	Guardant Health	Healthcare Providers & Services	North America	22,717	-	0.7	-
33	(36)	Everbridge	Software	North America	20,450	15,333	0.6	0.7
34	(20)	Cognex	Electronic Equipment, Instruments & Components	North America	20,279	21,884	0.6	1.0
35	(-)	Tenable	Software	North America	19,893	-	0.6	-
36	(48)	Okta	Software	North America	19,789	11,889	0.6	0.5
37	(25)	Qualcomm	Semiconductors & Semiconductor Equipment	North America	19,753	19,374	0.6	0.8
38	(-)	Zoom Video Communications	Software	North America	19,029	-	0.6	-
39	(-)	Chegg	Diversified Consumer Services	North America	18,973	-	0.5	-
40	(55)	Twitter	Interactive Media & Services	North America	18,248	10,770	0.5	0.5
Top 40 investments					**2,490,995**		**73.1**	
41	(-)	Dolby Laboratories	Software	North America	17,502	-	0.5	-
42	(-)	Airbnb	Interactive Media & Services	North America	17,276	-	0.5	-
43	(24)	Netflix	Entertainment	North America	17,127	20,307	0.5	0.9
44	(-)	Marvell Technology	Semiconductors & Semiconductor Equipment	North America	16,803	-	0.5	-
45	(22)	Activision Blizzard	Entertainment	North America	16,627	21,302	0.5	0.9
46	(52)	Fanuc	Machinery	Asia Pacific	16,465	11,074	0.5	0.5
47	(-)	Workday	Software	North America	16,379	-	0.5	-
48	(-)	TripAdvisor	Interactive Media & Services	North America	16,227	-	0.5	-
49	(50)	TDK	Electronic Equipment, Instruments & Components	Asia Pacific	15,954	11,414	0.5	0.5
50	(-)	HelloFresh	Internet & Direct Marketing Retail	Europe	15,942	-	0.5	-
Top 50 investments					**2,657,297**		**78.1**	
51	(-)	CyberArk Software	Software	Asia Pacific	15,768	-	0.5	-
52	(59)	Pinterest	Interactive Media & Services	North America	15,495	9,908	0.5	0.4
53	(19)	MediaTek	Semiconductors & Semiconductor Equipment	Asia Pacific	15,489	22,416	0.5	1.0
54	(91)	BlackLine	Software	North America	15,443	4,120	0.4	0.2
55	(60)	Keyence	Electronic Equipment, Instruments & Components	Asia Pacific	15,371	9,291	0.4	0.4
56	(80)	Zalando	Internet & Direct Marketing Retail	Europe	15,043	6,410	0.4	0.3
57	(42)	Lattice Semiconductor	Semiconductors & Semiconductor Equipment	North America	14,916	13,638	0.4	0.6
58	(58)	Fuji Machine Manufacturing	Machinery	Asia Pacific	14,793	10,314	0.4	0.4
59	(-)	Roblox	Entertainment	North America	14,585	-	0.4	-
60	(57)	Harmonic Drive Systems	Machinery	Asia Pacific	14,480	10,579	0.4	0.4
Top 60 investments					**2,808,680**		**82.4**	

Ranking 2021	Ranking 2020	Stock	Sector	Region	Value of holding 30 April 2021 £'000	Value of holding 30 April 2020 £'000	% of net assets 30 April 2021 %	% of net assets 30 April 2020 %
61	(-)	Shimano	Leisure Products	Asia Pacific	14,407	-	0.4	-
62	(-)	Volkswagen	Automobiles	Europe	14,382	-	0.4	-
63	(-)	Monolithic Power Systems	Semiconductors & Semiconductor Equipment	North America	14,258	-	0.4	-
64	(-)	Snowflake	Software	North America	13,956	-	0.4	-
65	(33)	Cloudflare	Software	North America	13,727	16,807	0.4	0.7
66	(82)	Peloton Interactive	Leisure Products	North America	13,683	6,351	0.4	0.3
67	(-)	STMicroelectronics	Semiconductors & Semiconductor Equipment	Europe	13,358	-	0.4	-
68	(-)	Zillow	Interactive Media & Services	North America	13,091	-	0.4	-
69	(34)	Advantest	Semiconductors & Semiconductor Equipment	Asia Pacific	12,773	16,273	0.4	0.7
70	(-)	Aptiv	Auto Components	Europe	12,670	-	0.4	-
Top 70 investments					**2,944,985**		**86.4**	
71	(41)	Axon Enterprise	Aerospace & Defence	North America	12,144	13,883	0.4	0.6
72	(88)	Atlassian	Software	Asia Pacific	12,115	4,611	0.3	0.2
73	(-)	LivePerson	Software	North America	11,216	-	0.3	-
74	(-)	Bentley Systems	Software	North America	10,950	-	0.3	-
75	(-)	Littelfuse	Electronic Equipment, Instruments & Components	North America	10,787	-	0.3	-
76	(54)	Power Integrations	Semiconductors & Semiconductor Equipment	North America	10,635	10,985	0.3	0.5
77	(76)	Veeco Instruments	Semiconductors & Semiconductor Equipment	North America	10,494	6,565	0.3	0.3
78	(-)	Avalara	Software	North America	10,290	-	0.3	-
79	(-)	Qualtrics International	Software	North America	9,627	-	0.3	-
80	(-)	MongoDB	Software	North America	9,522	-	0.3	-
Top 80 investments					**3,052,765**		**89.5**	
81	(-)	Unity Software	Software	North America	9,456	-	0.3	-
82	(74)	Samsung Electro-Mechanics	Electronic Equipment, Instruments & Components	Asia Pacific	9,065	6,949	0.3	0.3
83	(71)	Cadence Design Systems	Software	North America	8,950	7,476	0.3	0.3
84	(75)	Smartsheet	Software	North America	8,900	6,727	0.3	0.3
85	(-)	TE Connectivity	Electronic Equipment, Instruments & Components	Europe	8,871	-	0.3	-
86	(68)	Dexcom	Healthcare Equipment & Supplies	North America	8,756	7,812	0.3	0.3
87	(-)	Ceres Power	Electrical Equipment	Europe	8,743	-	0.2	-
88	(44)	Nintendo	Entertainment	Asia Pacific	8,557	12,856	0.2	0.6
89	(-)	Shopify	IT Services	North America	8,338	-	0.2	-
90	(-)	Kulicke & Soffa	Semiconductors & Semiconductor Equipment	North America	8,303	-	0.2	-
Top 90 investments					**3,140,704**		**92.1**	

Portfolio Review continued

Full Portfolio continued

Ranking					Value of holding		% of net assets	
2021	2020	Stock	Sector	Region	30 April 2021 £'000	30 April 2020 £'000	30 April 2021 %	30 April 2020 %
91	(-)	Uber	Interactive Media & Services	North America	8,232	-	0.2	-
92	(-)	Coursera	Diversified Consumer Services	North America	7,233	-	0.2	-
93	(-)	eBay	Internet & Direct Marketing Retail	North America	7,134	-	0.2	-
94	(40)	Take-Two Interactive Software	Entertainment	North America	7,108	14,117	0.2	0.6
95	(-)	Delivery Hero	Internet & Direct Marketing Retail	Europe	7,106	-	0.2	-
96	(-)	BYD	Automobiles	Asia Pacific	7,073	-	0.2	-
97	(-)	Nuance Communications	Software	North America	6,783	-	0.2	-
98	(-)	2U	Diversified Consumer Services	North America	6,098	-	0.2	-
99	(-)	Qt	Software	Europe	5,731	-	0.2	-
100	(-)	Hamamatsu Photonics	Electronic Equipment, Instruments & Components	Asia Pacific	5,299	-	0.2	-
Top 100 investments					**3,208,501**		**94.1**	
101	(62)	SolarEdge Technologies	Semiconductors & Semiconductor Equipment	Asia Pacific	5,295	9,252	0.2	0.4
102	(96)	Tobii	Technology Hardware, Storage & Peripherals	Europe	4,140	1,899	0.1	0.1
103	(100)	Seeing Machines	Electronic Equipment, Instruments & Components	Asia Pacific	4,074	1,144	0.1	-
104	(-)	MaxLinear	Semiconductors & Semiconductor Equipment	North America	3,892	-	0.1	-
105	(-)	ON24	Software	North America	3,716	-	0.1	-
106	(-)	Kinaxis	Software	North America	3,593	-	0.1	-
107	(95)	Zuken	IT Services	Asia Pacific	3,582	2,746	0.1	0.1
108	(-)	Criteo	Media	Europe	3,492	-	0.1	-
109	(-)	ilika	Electronic Equipment, Instruments & Components	Europe	2,747	-	0.1	-
110	(-)	Cermetek Microelectronics	Electronic Equipment, Instruments & Components	North America	2	-	-	-
Total equities					**3,243,034**		**95.1**	
Other net assets					**165,729**		**4.9**	
Total net assets					**3,408,763**		**100.0**	

Note: Asia Pacific includes Middle East.

Strategic Report

The Strategic Report section of this Annual Report comprises the Chair's Statement, the Investment Manager's Report, including information on the portfolio, and this Strategic Report. It has been prepared to provide information to Shareholders on the Company's strategy and the potential for such to succeed, including a fair review of the Company's performance during the year ended 30 April 2021, the position of the Company at the year end and a description of the principal risks and uncertainties. The Strategic Report section contains certain forward looking statements, made by the Directors in good faith, based on the information available to them at the time of their approval of this Report. Such statements should be treated with caution due to inherent uncertainties, including both economic and business risk factors underlying any such forward-looking information.

Business Model and Regulatory Requirements

The Company's business model follows that of an externally managed investment trust providing Shareholders with access to an actively managed portfolio of technology shares selected on a worldwide basis.

The Company is designated as an Alternative Investment Fund ('AIF') under the Alternative Investment Fund Management Directive ('AIFMD') and, as required by the Directive, has contracted with Polar Capital LLP to act as the Alternative Investment Fund Manager ('AIFM') and Investment Manager (or 'Manager') and HSBC Bank Plc to act as the Depositary.

Both the AIFM and the Depositary have responsibilities under AIFMD for ensuring that the assets of the Company are managed in accordance with the Investment Policy and are held in safe custody. The Board remains responsible for setting the investment strategy and operational guidelines as well as meeting the requirements of the FCA's Listing Rules and the Companies Act 2006.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. Investor Disclosure Documents, which set out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other Shareholder information are available on the Company's website.

There have been no material changes to the information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange. Statements from the Depositary and the AIFM can be found on the Company's website.

The Company seeks to manage its portfolio in such a way as to meet the tests in Section 1158 and 1159 of the Corporation Tax Act 2010 (as amended by Section 49(2) of the Finance Act 2011) and continue to qualify as an investment trust. This qualification permits the accumulation of capital within the portfolio without any liability to UK Capital Gains Tax. Further information on the operation of the business is set out in the Directors' Report on pages 70 to 72.

Investment Objective and Policy

While observing the Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes) as the Benchmark against which NAV performance is measured, Shareholders should be aware that the portfolio is actively managed and is not designed to track any particular benchmark index or market. The performance of the portfolio can vary from the Benchmark performance, at times considerably.

Over the last four 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.

Investments are selected for their potential Shareholder returns, not on the basis of technology for its own sake. The Investment Manager believes in rigorous fundamental analysis and focuses on:

- management quality;
- the identification of new growth markets;
- the globalisation of major technology trends; and
- exploiting international valuation anomalies and sector volatility.

Objective

The Company's Investment Objective has been since formation, and will continue to be, to maximise long-term capital growth by investing in a diversified portfolio of technology companies around the world.

Strategic Report continued

Policy

At the Annual General Meeting in 2012 the Investment Policy, as detailed below and available on the Company's website, was approved. The Portfolio has been managed in accordance with the Policy in the year to 30 April 2021.

Changes to Investment Policy

Any material change to the Investment Policy will require the approval of the Shareholders by way of an ordinary resolution at a general meeting. The Company will promptly issue an announcement to inform Shareholders and the public of any change to its Investment Policy.

Investment Strategy Guidelines and Board Limits

The Board has established guidelines for the Investment Manager in pursuing the Investment Policy. The Board uses these guidelines to monitor the portfolio's exposure to different geographical markets, sub-sectors within technology and the spread of investments across different market capitalisations.

These guidelines are kept under review as cyclical changes in markets and new technologies will bring certain sub-sectors or companies of a particular size or market capitalisation into or out of favour.

Asset Allocation

Technology may be defined as the application of scientific knowledge for practical purposes and technology companies are defined accordingly. While this offers a very broad and dynamic investing universe and covers many different companies, the portfolio of the Company (the 'Portfolio') is focused on companies which use technology or which develop and supply technological solutions as a core part of their business models. This includes areas as diverse as information, media, communications, environmental, healthcare, finance, e-commerce and renewable energy, as well as the more obvious applications such as computing and associated industries.

The Board has agreed a set of parameters which seek to ensure that investment risk is spread and diversified. The Board believes that this provides the necessary flexibility for the Investment Manager to pursue the Investment Objective, given the dynamic and rapid changes in the field of technology, while maintaining a spread of investments.

Market Parameters

With current and foreseeable investment conditions, the Portfolio will be invested in accordance with the Investment Objective and Policy across worldwide markets, generally within the following ranges:

- North America up to 85%.
- Europe up to 40%.
- Japan and Asia up to 55%.
- Rest of the world up to 10%.

The Board has set specific upper exposure limits for certain countries where they believe there may be an elevated risk.

The Company will at all times invest and manage its assets in a manner that is consistent with spreading investment risk and invests in a Portfolio comprised primarily of international quoted equities which is diversified across both regions and sectors.

Investment Limits

In applying the Policy, the Company will satisfy the following investment restrictions:

- The Company's interest in any one company will not exceed 10% of the gross assets of the Company, save where the Benchmark weighting of any investee company in the Company's portfolio exceeds this level, in which case the Company will be permitted to increase its exposure to such investee company up to the Benchmark 'neutral' weighting of that company or, if lower, 15% of the Company's gross assets.
- The Company will have a maximum exposure to companies listed in emerging markets (as defined by the MSCI Emerging Markets Index) of 25% of its gross assets.
- The Company may invest in unquoted companies from time to time, subject to prior Board approval. Investments in unquoted companies in aggregate will not exceed 10% of the gross assets of the Company (measured at the time of acquisition of the relevant investment and whenever the Company increases the relevant holding).

In addition to the restrictions set out above, the Company is subject to Chapter 15 of the FCA's Listing Rules which apply to closed ended investment companies with a premium listing on the Official List of the London Stock Exchange.

In order to comply with the current Listing Rules, the Company will not invest more than 10% of its total assets at the time of acquisition in other listed closed ended investment funds, whether managed by the Investment Manager or not. This restriction does not apply to investments in closed ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other listed closed ended investment funds. However, the Company will not in any case invest more than 15% of its total assets in other closed ended investment funds.

Cash, Borrowings (Gearing) and Derivatives

The Company may borrow money to invest in the Portfolio over both the long and short-term. Any commitment to borrow funds is agreed by the Board and the AIFM.

The Company's Articles of Association permit borrowings up to the amount of its paid up share capital plus capital and revenue reserves, but any net borrowings in excess of 20% of the Company's net assets at the time of drawdown will only be made with the approval of the Board.

The Investment Manager may also use from time to time derivative instruments, as approved by the Board, such as financial futures, options, contracts-for-difference and currency hedges. These are used for the purpose of efficient portfolio management. Any such use of derivatives will be made in accordance with the Company's policies on spreading investment risk as set out in this investment policy and any leverage resulting from the use of such derivatives will be subject to the restrictions on borrowings.

Cash

The Company may hold cash or near cash equivalents if the Investment Manager feels that these will at a particular time or over a period enhance the performance of the Portfolio. The Board has agreed that management of cash may be achieved through the purchase of appropriate government bonds, money market funds or bank deposits depending on the Investment Manager's view of the investment opportunities.

Gearing and Derivatives

The Company may use gearing in the form of bank loans which are used on a tactical basis by the Investment Manager, when considered appropriate. The Board monitors the level of gearing available to the Portfolio Manager and agrees, in conjunction with the AIFM, all bank facilities in accordance with the Investment Policy. The Board approves and controls all bank facilities and any net borrowings over 20% of the Company's net assets at the time of draw down will only be made after approval by the Board.

During the year the Company had two, two-year loan facilities with ING Bank NV: One for 36m US Dollars at a fixed rate of 1.335% pa and one for 3.8bn Japanese Yen at a fixed rate of 0.9% pa, both of which were drawn down on 30 September 2020. These loans fall due for repayment on 30 September 2022. It is anticipated that the loan facilities will be replaced on expiry. These loans replaced the previously held two year loans which expired on 2 October 2020.

Details of the loans are set out in Note 17 to the Financial Statements.

The Investment Manager's use of derivatives is monitored by the Board in accordance with the Company's investment policy and any leverage from the use of such derivatives will be subject to the restriction on gearing.

Future Developments

The Board remains positive on the longer-term outlook for technology and the Company will continue to pursue its Investment Objective. The outlook for future performance is dependent to a significant degree on the world's financial markets and their reactions to economic events and other geopolitical forces. In accordance with the Articles of Association, the Board will propose the next five-yearly continuation vote of the Company at the Annual General Meeting to be held in September 2025. The Chair's Statement and the Investment Manager's Report comment on the outlook.

Dividends

The Company's revenue varies from year to year and the Board considers the dividend position each year in order to maintain the Company's status as an investment trust. The revenue reserve remains in deficit and historically the Company has not paid dividends given its focus on capital growth.

The Directors do not recommend, for the year under review, the payment of a dividend (2020: no dividend recommendation).

Strategic Report continued

Service Providers

Polar Capital LLP has been appointed to act as the Investment Manager and AIFM as well as to provide or procure company secretarial services, marketing and administrative services, including accounting, portfolio valuation and trade settlement which it has arranged to deliver through HSBC Securities Services ('HSS').

The Company also contracts directly, on terms agreed periodically, with a number of third parties for the provision of specialist services:

- Stifel Nicolaus Europe Limited as Corporate Broker;
- Equiniti Limited as Share Registrars;
- KPMG LLP as independent Auditors;
- HSBC Securities Services as Custodian and Depositary;
- RD:IR for Investor Relations and Shareholder Analysis;
- Camarco as PR advisors;
- Perivan as Designers and Printers for shareholder communications; and
- Huguenot Limited as website designers and internet hosting service.

Key Performance Indicators

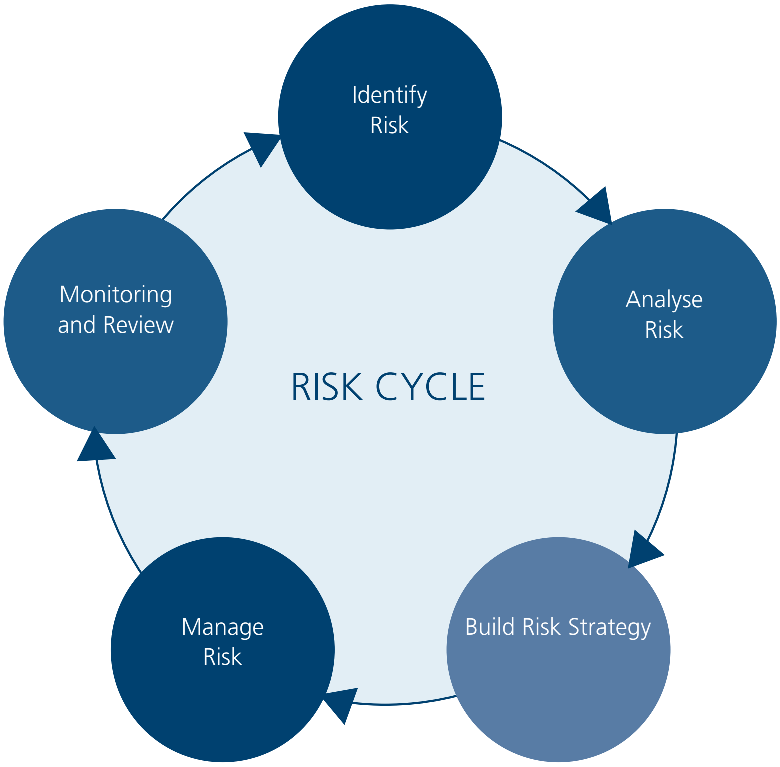
The Board appraises the performance of the Company and the Investment Manager as the key supplier of services to the Company against Key Performance Indicators ('KPIs'). The objectives of the KPIs comprise both specific financial and Shareholder related measures and these KPIs have not differed from the prior year.

KPI	Control process	Outcome
The provision of investment returns to Shareholders measured by long-term NAV growth and relative performance against the Benchmark.	The Board reviews the performance of the portfolio in detail and hears the views of the Investment Manager at each meeting.	At 30 April 2021 the total net assets of the Company amounted to £3,408,763,000 (2020: £2,308,597,000). The Company's NAV has, over the year to 30 April 2021, marginally underperformed the Benchmark. The NAV per share rose by 45.5%% from 1715.59p to 2496.44p while the Benchmark rose 46.4% in Sterling terms over the same period. As at 30 April 2021 the portfolio comprised 110 (2020: 101) investments. Investment performance is explained in the Chair's Statement and the Investment Manager's Report. Over the longer-term, as shown by the historic performance data shown on page 3, growth in the NAV has exceeded the Benchmark.
Monitoring and reacting to issues created by the discount or premium of the ordinary share price to the NAV per ordinary share with the aim of reduced discount volatility for Shareholders.	The Board receives regular information on the composition of the share register including trading patterns and discount/premium levels of the Company's ordinary shares. A daily NAV per share, diluted when appropriate, calculated in accordance with the AIC guidelines, is issued to the London Stock Exchange. The Board is aware of the vulnerability of a sector specialist investment trust to a change in investor sentiment to that sector. The Board discusses the market factors giving rise to any discount or premium, the long or short-term nature of those factors and the overall benefit to Shareholders of any actions. The market liquidity is also considered when authorising the issue or buy back of shares when appropriate market conditions prevail. The Company does not have an absolute target discount level at which it buys back shares but has historically bought back significant amounts of the outstanding share capital when deemed appropriate and remains ready to do so again. As always, the Board keeps the level of discount under careful review and has been buying back shares actively in recent months at levels set out in the adjacent column.	The discount/premium of the ordinary share price to NAV per ordinary share (diluted when appropriate) has been as follows: Financial year to 30 April 2021 • Maximum premium over year: 6.1% • Maximum discount over year: 11.4% • Average discount over year: 4.0% In the year ended 30 April 2021, the Company bought back 770,236 ordinary shares at an average discount of 8.6%, and, in the same period, has issued 2,749,000 shares at an average premium of 1.89% when the issue was NAV enhancing to existing Shareholders. Subsequent to the year end, the Company bought back a further 538,532. Over the previous five financial years ended 30 April 2021 • Maximum premium over period: 6.1% • Maximum discount over period: 15.9% • Average discount over period: 3.2% Over the previous five financial years ended 30 April 2021 the Company has issued 4,978,841 Ordinary shares as a result of market demand.

Strategic Report continued

KPI	Control process	Outcome
To qualify and continue to meet the requirements for Sections 1158 and 1159 of the Corporation Tax Act 2010 ('investment trust status').	The Board receives regular financial information which discloses the current and projected financial position of the Company against each of the tests set out in Sections 1158 and 1159.	This has been achieved for every year since launch in 1996. HMRC has approved the investment trust status subject to the Company continuing to meet the relevant eligibility conditions and ongoing requirements. The Directors believe that the tests have been met in the financial year ended 30 April 2021 and will continue to be met.
Efficient operation of the Company with appropriate investment management resources and services from third party suppliers within a stable and risk controlled environment.	The Board considers annually the services provided by the Investment Manager, both investment and administrative, and reviews on a cycle the provision of services from third parties including the costs of their services. The annual operating expenses are reviewed and any non-recurring project related expenditure approved by the Board.	The Board has received and considered satisfactory the internal controls report of the Investment Manager and other key suppliers including contingency arrangements to facilitate the ongoing operations of the Company in the event of withdrawal or failure of services. The ongoing charges of the Company for the year ended 30 April 2021 excluding the performance fee were 0.82% of net assets (2020: 0.93%). The ongoing charges including the performance fee payable in respect of the year ended 30 April 2021 were 0.82% (2020: 0.99%) of net assets.

Principal Risks and Uncertainties



The Board is responsible for the management of risks faced by the Company and, through delegation to the Audit Committee, has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.

The established risk management process the Company follows, identifies and assesses various risks, their likelihood, and possible severity of impact, considering both internal and external controls and factors that could provide mitigation. A post mitigation risk impact score is then determined for each principal risk.

At each Audit Committee, identified principal risks are reviewed and reassessed against the backdrop of the ever changing world the Company is operating in. Furthermore, the Audit Committee carries out, at least annually, a robust assessment of overall risks and uncertainties faced by the Company with the assistance of the Investment Manager. As part of this process, the Committee also identifies any emerging risks during its review process. Current emerging risks include climate change, natural disasters and changes in the listed company environment. The Committee continues to closely monitor these risks along with any other emerging risks as they develop and implements mitigating actions as necessary.

The Principal risks are detailed on the following pages along with a high-level summary of their management through mitigation and status arrows to indicate any change in assessment over the past financial year.

The Committee continues to consider the risks posed by COVID-19, which has been classified as a Black Swan event. The impact of COVID-19 is discussed further in the Chair's Statement and Investment Manager's Report. Further information on how the Committee has considered COVID-19 when assessing its effect on the Company's ability to operate as a going concern and the Company's longer-term viability can be found on pages 59 and 61 of this Strategic Report and on page 83 of the Report of the Audit Committee.

Strategic Report continued

Principal Risks and Uncertainties continued

Risk No.	Principal Business Risks and Uncertainties	Management of risks through Mitigation & Controls	
1	**Failure to achieve investment objective due to poor performance**		Increase
	Potential consequences prior to mitigation: • Persistent discount in excess of market or Board acceptable levels leading to loss of shareholder value. • Possible loss of liquidity in market further depressing share price. • Possible activist investor action. • Loss of reputation for both Board and Investment Manager.	A detailed annual review of the investment strategy is undertaken by the Investment Manager with the Board including analysis of investment markets and sector trends. The Board regularly considers, in comparison to the sector and peers, the level of premium and discount of the share price to the NAV and ways to enhance Shareholder value including share issuance and buy backs. The Board is committed to a clear communication program to ensure Shareholders understand the investment strategy. A resolution is put forward every five years to provide Shareholders with an opportunity to vote on the continuation of the Company. Ahead of the continuation vote that took place in September 2020, the Board, Investment Manager and Corporate Broker sought Shareholder's views on the Company and its proposed continuation. No comments adverse to the continuation of the Company were received and 100% of the votes cast by Shareholders were in favour of the Company continuing. The next continuation resolution will be proposed at the AGM to be held in September 2025.	
2	**Gearing - Breach of covenants/limits or restrictions**		Unchanged
	Potential consequences prior to mitigation: • Forced to liquidate some of the portfolio to repay debt. • Inability to renew borrowing facilities due to prior breach of covenants • Reputational damage.	Detailed reports containing financial information including gearing and cash balances are provided to each Board meeting and are used to assess portfolio construction and the degree of risk which the Investment Manager incurs to generate investment returns. Lenders covenants and AIFMD limits are hard coded into the Investment Manager's Bloomberg accounts and trading system which are populated by the Investment Manager's Risk Team. Monthly returns are made to the lender to ensure regular reporting of lending level and covenant monitoring. The Depositary also monitors compliance with lending restrictions. Any material breaches immediately notified to Board.	

Increase

Unchanged

Risk No.	Principal Business Risks and Uncertainties	Management of risks through Mitigation & Controls	
3	**Portfolio management errors e.g. breach of policy**		Unchanged
	Potential consequences prior to mitigation: • Regulatory investigation leading to fine or censure. • Shareholder action to recover financial loss. • Reputational damage. • Investment returns may be damaged. • Unauthorised liability that may need to be repaid. • Breach of AIFMD limits. • Breach of investment trust status.	Investment limits and restrictions are encoded into the dealing and operations systems of the Investment Manager and various oversight functions are undertaken to ensure there is early warning of any potential issue of compliance or regulatory matters. The Investment Manager on behalf of the Company undertakes counterparty monitoring and only trades with brokers which have satisfied the approval process. Trade settlement, currency exposure and all dealing operations are monitored by various systems and groups including the Investment Manager's Operations and Risk Teams and independent monitoring by the depositary.	
4	**Failure in services provided by the Investment Manager**		Unchanged
	Potential consequences prior to mitigation: • Regulatory investigation. • Financial loss / Loss of shareholders' assets. • Reputational risk to Board and Investment Manager.	The Board carries out an annual review of internal control reports from suppliers which includes the Investment Manager's cyber protocols and disaster recovery procedures.	
5	**Accounting, Financial or Custody errors**		Unchanged
	Potential consequences prior to mitigation: • Board has incomplete or inaccurate financial information. • NAV is misstated. • Completion of Financial Statements impaired and or audit opinion qualified. • Failure to meet investment trust status requirements. • Incorrect Management and / or Performance Fee. • Shareholder action to recover losses.	Due diligence and service reviews are undertaken with third-party service providers including the Custodian and Depository.	

Increase

Unchanged

Strategic Report continued

Principal Risks and Uncertainties continued

Risk No.	Principal Business Risks and Uncertainties	Management of risks through Mitigation & Controls	
6	**IT failure and Cyber Risk**		Unchanged
	Potential consequences prior to mitigation: • Inability to carry out tasks / downtime for Investment and/or Operational staff. Temporary/Permanent movement of offices of Investment Manager and/or Depositary. • Reputational damage and/or regulatory censure. • Fraudulent activity for example ransomware, denial of service, website hack or fake website created to imitate the Company. • Investigation and censure/criminal prosecution or possible financial penalty. • Disruption to or failure of operational and accounting systems and processes provided by the Investment Manager creating financial loss or operational disruption.	The number, severity and success rate of cyber-attacks have increased considerably over recent years, controls are however in place and the Board proactively seeks to keep abreast of developments through updates with representatives of the Investment Manager who undertake meetings with relevant service providers. In light of the COVID-19 pandemic and the lockdown measures introduced by the UK Government, the Audit Committee once again sought assurance via the Investment Manager, from each of the Company's service providers on the resilience of their business continuity arrangements whilst the majority of their employees worked remotely. These assurances and the subsequent detailed updates that were given to the Committee provided a satisfactory level of assurance that there had not been, and there was no anticipation of any disruption in the ability of each service provider to fulfil their duties as would typically be expected.	
7	**Black Swan event – e.g. unforeseen natural disaster**		Unchanged
	Potential consequences prior to mitigation: • Financial loss due to natural event. • Adverse Impact on personnel and portfolio. • Temporary/Permanent movement of offices of Investment Manager and/or Depositary.	The Company has a disaster recovery plan in place along with a Black Swan Committee comprised of any two directors, who are able to provide a response to such events as necessary.	
8	**Failure of Depositary, Custodian, Sub-Custodian**		Unchanged
	Potential consequences prior to mitigation: • Transactions do not settle on time or in the correct currency. • Loss of shareholders assets. • Inability to continue to transact trades in affected investments. • NAV impaired. • Reputational damage.	A full review of the internal control framework is carried out at least annually. Regular reporting is received by the Investment Manager on behalf of the Board from the Depositary on the safe custody of the Company's assets. The Board undertakes independent reviews of the Depositary and external Administrator services and additional resources have been put in place by the Investment Manager. Management accounts are produced and reviewed monthly, statutory reporting and daily NAV calculations are produced by the external Administrator and verified by the Investment Manager.	

Increase

Unchanged

Risk No.	Principal Business Risks and Uncertainties	Management of risks through Mitigation & Controls	
9	**Supplier risk – failure in provision of efficient services by service providers**		↔
	Potential consequences prior to mitigation: • Shareholders unable to complete transactions. • FCA investigation leading to censure or fine. • Errors in share register data resulting in failure to deliver information to shareholders or pay dividends and / or shareholders do not receive documents they are entitled to under their information and voting rights leading to complaints and reputational damage. • Reputational or financial damage. • Breach of CRS and FATCA reporting requirements leading to regulatory censure and / or fines.	The Board considers, approves and monitors supplier appointments. Investment manager reports on breaches of service level agreements and failure to meet standards as it becomes aware of the issue. Annual controls reports from service providers are reviewed by Board, and exceptions highlighted to the Board. Representatives from each service provider attend meetings to apprise the Board of exceptions found in their control environments. Directors regularly attend due diligence visits to service providers.	
10	**Breach of Statutes and Regulation**		↔
	Potential consequences prior to mitigation: • Suspension of Listing. • Loss of Investment Trust status could lead to capital gains in the portfolio becoming taxable. • Regulatory censure and / or fines resulting in reputational damage to the Investment Manager.	The Board monitors regulatory change with the assistance of the Investment Manager, Company Secretary and external professional suppliers and implements necessary changes should they be required. The Board receives regulatory reports for discussion and, if required, considers the need for any remedial action. In addition, as an investment company, the Company is required to comply with a framework of tax laws, regulation and company law. The Board keeps abreast of third party service provider internal controls processes to ensure requirements are met in accordance with regulatory requirements.	
11	**Failure to effectively communicate with investors**		↔
	Potential consequences prior to mitigation: • Announcements or documentation may need to be cancelled and reissued. • Reputational damage. Regulatory censure and/or fines. • Investor dissatisfaction leading to activism / shareholders selling their holdings.	Polar Capital Sales Team and the Corporate Broker provide periodic reports to the Board on communications with shareholders and feedback received. The Audit Committee received the half-year and annual financial statements prior to sign-off and makes recommendations to the Board. Contact details and how to contact the Board are provided in regulatory announcements and in half year and annual reports. Board are present at AGM to speak to shareholders.	

↑ **Increase** ↔ **Unchanged**

Strategic Report continued

Principal Risks and Uncertainties continued

Risk No.	Principal Business Risks and Uncertainties	Management of risks through Mitigation & Controls	
12	**Global geo-political risk**		↔
	Potential consequences prior to mitigation: • Tax and tariff changes could impact majority of portfolio as it is U.S. based. • Fluctuations in stock markets and currency exchange rates could be disadvantageous to the Company and its performance. • Drastic regulatory changes could lead to adverse impact on personnel and portfolio.	The Board regularly discusses the global geo-political issues and general economic conditions and developments. Note 27 on pages 123 to 126 describes the impact of changes in foreign exchange rates. The Company's largest exposure is to the level of US $ holdings. Political tensions between and changes within the US, China, Europe and UK continue the uncertainty and volatility in financial markets. The medium and longer term impacts of COVID-19 on this risk, for example the unprecedented levels of fiscal stimulus and travel restrictions will continue to be assessed by the Audit Committee in light of how they may affect the Company's portfolio and the economic and geopolitical environment in which the Company operates within overall.	
13	**Uncertainty in regulatory environment and impact of Brexit**		↔
	Potential consequences prior to mitigation: • Fluctuations in stock markets and currency exchange rates could be disadvantageous to the Company and its performance. • Possible changes to the current tax treaty with the EU, e.g. loss of access to preferential EU WHT rates. • Possible financial loss or increased expenses to rectify any errors. • Drastic regulatory changes could lead to adverse impact on personnel and portfolio. • Disruption to trading platforms and support services. • Scaling back of Multinational Banks from a London to European focus.	The potential consequences of Brexit continue to be monitored through existing control systems. Due to the high level of US investments (70.1%) and the low level of UK investments (0.34%) the Board does not believe that there is likely to be any direct impact on the operation of the Company or the structure of the portfolio. The Company has a varying level of cash which is primarily held in US Dollars and also has loan facilities in Japanese Yen and US Dollars. Fluctuations in exchange rates are monitored which may impact investor returns. An analysis of currency is given in Note 27 to the Financial Statements.	

↑ **Increase**

↔ **Unchanged**

Risk No.	Principal Business Risks and Uncertainties	Management of risks through Mitigation & Controls	
14	**Loss of Portfolio Manager or other Key staff**		⟷
	Potential consequences prior to mitigation: • Loss of confidence by Board / shareholders. • Possible widening of discount as uncertainty over replacement team. • Period of uncertainty leading to poor performance. • Time and costs involved in possible beauty parade for new manager. • Unnecessary change and instability leading to loss of shareholder value. • Potential termination of Investment Management Agreement by either party.	The strength and depth of investment team provides comfort that there is not over-reliance on one person with alternative senior technology portfolio managers available to act if needed. For each key business process roles, responsibilities and reporting lines are clear and unambiguous. The Investment Manager has implemented BCP arrangements as a result of COVID-19 with staff working remotely with no loss of service.	
15	**Insufficient resource or experience on the Board**		⟷
	Potential consequences prior to mitigation: • Inactivity when action is required leading to loss of shareholder value. • Reputational damage. • Shareholder activism if impact on value by inexperience or inability of Board.	Respected recruiters are used to source suitably experienced candidates for Non-executive directorships. A Board, Committee and Individual evaluation process is carried out annually and justification for re-election of Directors is provided in Annual Report to Shareholders.	

⬆ **Increase**

⟷ **Unchanged**

Strategic Report continued

Investment Management Company and Management of the Portfolio

As the Company is an investment vehicle for Shareholders, the Directors have sought to ensure that the business of the Company is managed by a leading specialist investment management team and that the investment strategy remains attractive to Shareholders. The Directors believe that a strong working relationship with the investment management team will help to achieve the optimum return for Shareholders. As such, the Board and the Investment Manager operate in a supportive, co-operative and open environment.

The Investment Manager is Polar Capital LLP ('Polar Capital'), which is authorised and regulated by the Financial Conduct Authority, to act as Investment Manager and AIFM of the Company with sole responsibility for the discretionary management of the Company's assets (including uninvested cash) and sole responsibility to take decisions as to the purchase and sale of individual investments. The Investment Manager also has responsibility for asset allocation within the limits of the investment policy and guidelines established and regularly reviewed by the Board, all subject to the overall control and supervision of the Board.

Under the terms of the Investment Management Agreement ("IMA"), the Investment Manager also procures or provides accountancy services, company secretarial, marketing and day to day administrative services, including the monitoring of third-party suppliers, which are directly appointed by the Company. The Investment Manager has, with the consent of the Directors, delegated the provision of certain of these administrative functions to HSBC Securities Services and to Polar Capital Secretarial Services Limited.

Information is provided to the Directors on a timely basis, covering all aspects of relevant management, regulatory and financial information. The Board receives a report from the Investment Manager at each Board meeting and may ask representatives of the Investment Manager to attend Board meetings enabling Directors to probe further on matters of concern or seek clarification as appropriate.

While the Board reviews the performance of the Investment Manager at each Board meeting, and the Company's performance against Benchmark and a peer group of funds with similar objectives, the Management Engagement Committee formally carries out an annual review of the Investment Manager's and other suppliers' performance during the year.

Polar Capital provides a team of technology specialists led by Ben Rogoff. Each team member focuses on specific areas while Ben has overall responsibility for the portfolio. Polar Capital also has other specialist and geographically focused investment teams which may contribute to idea generation. The technology investment team's biographies can be found on pages 14 and 15.

The Investment Manager has other investment resources which support the investment team and has experience in administering and managing other investment companies.

Termination Arrangements

The IMA may be terminated by either party giving 12 months' notice, but under certain circumstances the Company may be required to pay up to one year's management charges if immediate notice is given, compensation will be on a sliding scale if less than 12 months' notice is given. The IMA may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including: (i) if an order has been made or an effective resolution passed for the liquidation of the Investment Manager; (ii) if the Investment Manager ceases or threatens to cease to carry on its business; (iii) where the Company is required to do so by a relevant regulatory authority; (iv) on the liquidation of the Company; or (v) subject to certain conditions, where the Investment Manager commits a material breach of the IMA.

Fee Arrangements

The current fee arrangements came into force on 1 May 2019. Performance periods coincide with the Company's accounting periods. In the event of a termination of the investment management agreement, the date the agreement is terminated will be deemed to be the end of the relevant performance period and any performance fee payable shall be calculated as at that date. Under the terms of the IMA the Board will undertake the three-yearly review of the fee arrangements within 2021 with the anticipation that any changes proposed and subsequently agreed are expected to take effect in 2022.

Management fee

The base management fee, which is paid by the Company quarterly in arrears to the Manager, is calculated on the Net Asset Value ('NAV') on a per share basis as follows:

Tier 1 1 per cent. for such of the NAV as exceeds £0 but is less than or equal to £800 million;

Tier 2 0.85 per cent. for such of the NAV as exceeds £800 million but is less than or equal to £1.6 billion;

Tier 3 0.80 per cent. for such of the NAV as exceeds £1.6 billion but is less than or equal to £2 billion; and

Tier 4 0.70 per cent. for such of the NAV as exceeds £2 billion.

Any investment in funds managed by Polar Capital are wholly excluded from the base management fee calculation. In addition to the base management fee, the Investment Manager may be entitled to receive a performance fee as detailed below.

Management fees of £24,134,000 (2020: £18,273,000) have been paid for the year to 30 April 2021 of which £6,844,000 (2020: £nil) was outstanding at the year end.

Performance fee

The performance fee participation rate is 10 per cent. of outperformance above the Benchmark, subject to a cap on the amount which may be paid out in any one year of 1 per cent. of NAV. Any amount over the 1 per cent. payment is written off.

There was no performance fee payable for the year to 30 April 2021 (2020: £1,050,000), and therefore no amount (2020: £1,050,000) was outstanding at the year end.

Calculation

A notional performance fee entitlement ('NPFE') is calculated and if positive, accrued daily, having made up all past underperformance; however, it is only at the financial year end that payment of the performance fee is tested.

The calculation period starts at the end of the financial year in which the last performance fee was paid and is open until the end of the financial year that the next performance fee is paid.

The 1 per cent. cap is applied as part of the NAV calculation so the performance fee accrual will never exceed 1 per cent. of the NAV.

Any under performance since the last performance fee was paid must be made good before a fee may be paid.

Payment Conditions

On the final day of each financial year the NPFE will be tested.

If the NPFE is positive, then a performance fee may be paid to the Manager if the following conditions have been achieved:

- There has been outperformance of the Benchmark in the financial year;
- The NAV per share at the financial year end is equal to or higher than the NAV per share when the last performance fee was paid; and
- The NAV per share at the financial year end is equal to or higher than the NAV per share at the beginning of the financial year.
- If the NPFE is negative, then no performance fee is paid, and the calculation period remains open.

Other

In addition to the above, the Investment Manager is responsible for the first £100,000 of marketing costs and all research costs.

Continued Appointment of Investment Manager

The Board, through the Management Engagement Committee, has reviewed the performance of the Investment Manager in managing the portfolio over the longer-term. The review also considered the quality of the other services provided, including the strength of the investment team, the depth of the other services provided and the resources available to provide such services.

The Board reflected on the positive impact from the continued recruitment into various teams at the Investment Manager to support the Company, which includes the investment team, marketing, administration, and the organisation on the Company's behalf of third party suppliers, and the quality of the Shareholder communications.

The Board, on the recommendation of the Management Engagement Committee, has concluded that on the basis of longer-term performance, it is in the best interests of Shareholders as a whole that the appointment of Polar Capital LLP as Investment Manager is continued on the terms agreed on 12 April 2019.

Longer-Term Viability

In accordance with the AIC Code of Corporate Governance, the Company is required to make a forward-looking longer-term viability statement. The Board has considered and addressed the ability of the Company to continue to operate over a period significantly beyond the twelve-month period required for the going concern statement. The Board has considered the industry and market in which the Company operates and the continued appetite for technology investment. The Board continues to use five years as a reasonable term over which the viability of the Company should be viewed; Shareholders have the opportunity to vote on the continuation of the Company every five years, therefore the outlook for the next five-year period incorporates the continuation vote which will be

Strategic Report continued

put to Shareholders at the AGM in 2025. The process and matters considered in establishing the longer-term viability are detailed within the Audit Committee Report on page 83.

In establishing the positive outlook for the Company over the next five years to 30 April 2026, the Board has taken into account:

The ability of the Company to meet its liabilities as they fall due	The financial position of the Company and its cash flows and liquidity position are described in the Strategic Report and the Financial Statements. Note 27 to the Financial Statements on pages 122 to 129 includes the Company's policies and process for managing its capital; its financial risk management objectives; details of financial instruments and hedging activities. Exposure to credit risk and liquidity risk are also disclosed. The portfolio comprises investments traded on major international stock exchanges, there is a spread of investments by size of company. The assessment took account of the Company's current financial position, its cash flows and its liquidity position, the principal risks as set out on pages 51 and 57 and the Committee's assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern. The assessment was then subject to a sensitivity analysis over a five-year period, which stress tested a number of the key assumptions underlying the forecasts both individually and in aggregate for normal, favourable and stressed conditions and considered whether financing facilities will be renewed. COVID-19 was also factored into the key assumptions made by assessing its impact on the Company's key risks and whether the key risks had increased in their potential to affect the normal, favourable and stressed market conditions. 99.8% of the current portfolio could be liquidated within seven trading days and there is no expectation that the nature of the investments held within the portfolio will be materially different in future. The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position. The ongoing charges of the Company for the year ended 30 April 2021 (excluding performance fees) were 0.82% (2020: 0.93%). Repayment of the bank facilities, drawn down at the year end, and due in September 2022, would equate to approximately 24% of the cash or cash equivalents available to the Company at 30 April 2021, without having to liquidate the portfolio of investments. The Company has no employees and consequently does not have redundancy or other employment related liabilities or responsibilities.
The Company will propose a resolution on the continuation of the Company at the AGM in September 2025	Under the AIC SORP, where Shareholders have the opportunity to vote in favour or against a company continuing in existence, it will normally be the case that Shareholders will have to vote in favour of a liquidation before it can occur. It is reasonable to believe that if good performance is achieved over the period until the next continuation vote Shareholders will vote in favour of continuation.
Factors impacting the forthcoming years	The Strategic Report and Governance sections, comprising the Chair's Statement, the Investment Manager's Report and the Strategic Report provide a comprehensive review of factors which may impact the Company in forthcoming years. In making its assessment, the Board considered these factors alongside the Principal Risks and Uncertainties, and their corresponding mitigation and controls, as set out on pages 51 and 57.
Regulatory changes	Despite the increased level of regulation and the unpredictability of future requirements it is considered that regulation will not increase to a level that makes the running of the Company uneconomical in comparison to other competitive products. That the business model of being a closed ended investment fund will continue to be wanted by investors and the Investment Objective will continue to be desired and achievable.

Further, the Board recognises that there has been considerable growth in the technology sector and immense change in what is deemed to be a technology company which broadens the universe for potential investment. Technology remains a specialist sector for which there continues to be a need for independent specialist sector investment expertise. In light of the COVID-19 pandemic, technology has become the backbone of society, with the majority of people moving to remote working situations relying on technology, not only for day to day requirements but for communications across a variety of platforms. It is anticipated that many of the new practices put in place, utilising technology, may remain in place long after the pandemic has abated.

The Board therefore believe it appropriate to confirm their assessment for the longer-term viability of the Company for the next five years to 30 April 2026.

Going Concern

The Board has also considered the ability of the Company to adopt the Going Concern basis for the preparation of the Financial Statements.

Consideration included the Company's current financial position, its cash flows, its liquidity position and its assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern. In conjunction with the financial considerations taken into account when reviewing the longer-term viability, the Board considered the performance of the Company's net asset value per share (45.5%) and the benchmark (46.4%); the liquidity of the portfolio (an estimated 99.8% can be liquidated over seven days) and the opportunity for investment and reinvestment of funds. In reaching these conclusions and those in the Longer- Term Viability Statement, the stress testing conducted also featured consideration of the effects of COVID-19. This is discussed further in the Report of the Audit Committee on page 83. The Board believe that the Company is able to continue in operation and meet its liabilities as they fall due over the next twelve-month period from the date of this Report and it is appropriate to present the Company and the Financial Statements as a Going Concern.

Corporate Responsibility, ESG And Greenhouse Gas Emissions

The Company's core activities are undertaken by its Investment Manager which seeks to limit the use of non renewable resources and reduce waste where possible.

The Investment Manager has a corporate Environmental, Social, Governance (ESG) policy and wherever possible and appropriate the parameters of such are considered and adopted by the investment team in relation to the Company's management and portfolio construction. As detailed further within the Investment Manager's Report, the Portfolio Managers consider ESG factors when reviewing new, continuing or exiting investments but they do not make an investment decision solely on the basis of ESG factors. The Board monitors the Investment Manager's approach to ESG and they themselves take into account ESG factors in the management of the Company.

The Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 require companies listed on the Main Market of the London Stock Exchange to report on the greenhouse gas ('GHG') emissions for which they are responsible. The Company is an investment trust, with neither employees nor premises, nor has it any financial or operational control of the assets which it owns. Consequently, it has no GHG emissions to report from its operations nor does it have responsibility for any other emissions.

Taskforce for Climate-Related Financial Disclosures ("TCFD")

The Company notes the TCFD recommendations on climate-related financial disclosures. As stated above, the Company is an investment trust with no employees, internal operations or property. However, it is an asset owner and therefore we will work to develop appropriate disclosures about our portfolio. Information sources are developing and we will work alongside our manager to provide more information. Polar Capital supports TCFD's recommendations and is in the process of assessing the guidance to ensure compliance going forward.

Strategic Report continued

Diversity and Human Rights

The Company has no employees and the Board is comprised of two female and three male Non-executive Directors.

The Board has put in place a succession plan based on the recommended nine-year tenure of Directors with allowance for an extended period of 12 years for the role of the Chair (in line with the Chair Tenure Policy). The Board will continue to have regard to the benefits of diversity throughout any recruitment process, especially when compiling a shortlist of candidates and selecting individuals for interview but will ultimately seek to ensure directors appointed to the Board are chosen on merit. The Board's Diversity Policy is discussed further in the Report on Corporate Governance on page 78.

The Company has not adopted a policy on human rights as it has no employees or operational control of its assets.

Modern Slavery Act

As an investment company, the Company does not provide goods or services in the normal course of business and does not have any customers. Accordingly, the Company does not consider that it falls within the scope of the Modern Slavery Act 2015 and therefore does not meet the criteria requiring it to produce a statement under such Act. The Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Manager under the Act has been published on the Managers' website at www.polarcapital.co.uk.

Anti-Bribery, Corruption and Tax Evasion

The Board has adopted a zero-tolerance policy (which is available on the Company's website) to bribery, corruption and the facilitation of tax evasion in its business activities. The Board uses the principles of the policies formulated and implemented by the Investment Manager and expects the same standard of zero-tolerance to be adopted by third-party service providers.

S172 Statement

The statutory duties of the Directors are listed in s171-177 of the Companies Act 2006. Under s172, Directors have a duty to promote the success of the Company for the benefit of its members (our Shareholders) as a whole and in doing so have regard to the consequences of any decision in the long term, as well as having regard to the Company's stakeholders amongst other considerations. The fulfilment of this duty not only helps the Company achieve its Investment Objective but ensures decisions are made in a responsible and sustainable way for Shareholders.

To ensure that the Directors are aware of, and understand, their duties, they are provided with an induction, including details of all relevant regulatory and legal duties as a Director when they first join the Board, and continue to receive regular and ongoing updates on relevant legislative and regulatory developments. They also have continued access to the advice and services of the Company Secretary and, when deemed necessary, the Directors can seek independent professional advice. The Schedule of Matters Reserved for the Board, as well as the Terms of Reference of its committees are reviewed annually and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties.

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all of its discussions and as part of its decision-making. As an externally managed investment company, the Company does not have any employees or customers, however the key stakeholders and a summary of the Board's consideration and actions where possible in relation to each group of stakeholders are described in the table below.

Stakeholder Group	How we engage with them
Shareholders	The Directors have considered this duty when making the strategic decisions during the year that affect Shareholders, the confirmation of the continued appointment of the Investment Manager and the recommendation that Shareholders vote in favour of the resolutions to be proposed at the AGM. The Directors have also engaged with and taken account of Shareholders' interests during the year. The Directors were unable to have the usual face to face interactions with shareholders this year due to the guidance from the UK government in respect of gatherings of people. Instead, the Chair emailed 20 of the Company's largest shareholders to ask if there was anything they wished to raise in relation to the Company. Eight replies were received, raising matters for discussion such as fees, the discount level, benchmarks and ESG, and indicating general satisfaction with the Company and in particular the communications received from the Manager. The Chair further engaged where appropriate and discussed various matters directly with a number of the respondents. The Board will continue to respond to the helpful pointers given and welcome other interaction with shareholders wherever possible. Should government guidelines allow, the Board will look to re-introduce face to face shareholder meetings once again in the second half of the year. In addition, the Chair will write to the Company's largest Shareholders following the publication of the Annual Report and Financial Statements offering the opportunity to have a meeting. Since the year end, and given the continued measures in place in relation to social distancing and COVID-19, the Directors have carefully considered the viability of an open forum AGM. The AGM will be held on 1 September 2021 at 2:30pm, as noted in the Chair's Statement, the Board has decided to delay confirming the structural arrangements for the AGM until the situation around increasing COVID-19 cases is clearer.
	The Board believes that shareholder engagement remains important, especially in the current market conditions and is keen that the AGM be a participative event for all Shareholders who attend. Shareholders are encouraged to send any questions ahead of the AGM to the Board via the Company Secretary at **cosec@polarcapital.co.uk** stating the subject matter as **PCTT-AGM**. The investment manager gives a presentation and the Chairs of the Board and of the Committees attend and are available to respond to questions and concerns from Shareholders. Should any significant votes be cast against a resolution, the Board will engage with Shareholders. Should this situation occur, the Board will explain in its announcement of the results of the AGM the actions it intends to take to consult Shareholders in order to understand the reasons behind the votes against. Following the consultation, an update will be published no later than six months after the AGM and the Annual Report will detail the impact the Shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed.

Section 172 of the Companies Act 2006 continued

Stakeholder Group	How we engage with them
	Relations with Shareholders The Board and the Manager consider maintaining good communications and engaging with Shareholders through meetings and presentations a key priority. The Board regularly considers the share register of the Company and receives regular reports from the Manager and the Corporate Broker on meetings attended with Shareholders and any concerns that are raised in those meetings. The Board also reviews correspondence from Shareholders and may attend investor presentations. Shareholders are able to raise any concerns directly with the Board without using the Manager or Company Secretary as a conduit. The Chair or other Directors are available to Shareholders who wish to raise matters either in person or in writing. The Chair and Directors may be contacted through the registered office of the Company. Shareholders are kept informed by the publication of annual and half year reports, monthly fact sheets, access to commentary from the Investment Manager via the Company's website and attendance at events in which the Investment Manager presents. The Company, through the sales and marketing efforts of the Investment Manager, encourages retail investment platforms to engage with underlying Shareholders in relation to Company communications and enable those Shareholders to cast their votes on Shareholder resolutions; the Company however has no responsibility over such platforms. The Board therefore encourage Shareholders invested via the platforms to regularly visit the Company's website or to make contact with the Company directly to obtain copies of Shareholder communications. The Company has also made arrangements with its registrar for Shareholders, who own their shares directly rather than through a nominee or share scheme, to view their account online at www.shareview.co.uk. Other services are also available via this service.
	Outcomes and strategic decisions during the year **Share Issuance and buybacks** In order to satisfy demand for the Company's shares that the secondary market is unable to meet, the Company has used the authority granted by Shareholders to allot shares fully paid for cash. This assists with ensuring the Company's share price does not reach an excessive premium to its net asset value per share and provides the Investment Manager with further capital to invest in line with the stated Investment Policy. Further information on the shares issued during the year can be found in the Directors' Report on page 71 and the Notes to the Financial Statements on page 119. The Company also has the facility to conduct share buy backs when, in normal market conditions, it is in the best interests of Shareholders to do so. The Company bought back a total of 770,236 shares during the year under review. Subsequent to the year end, the Company bought back a further 538,532 shares. Please see the Chair's statement on page 7 for a description of the approach. **Gearing** The Company is aware of the positive effect that leverage can have in increasing the return to Shareholders when utilised. The Company has term loans with ING Bank NV, which expire in September 2022 and consideration will be given to the renewal of or the replacement of the term loans if it is deemed to be in the best interests of the Company's Shareholders in maximising returns.

Stakeholder Group	How we engage with them
	Continuation Vote The Board, Investment Manager and Corporate Broker sought the feedback of Shareholders, ahead of the Company's continuation vote in September 2020 including any concerns, and an indication of whether they were likely to vote in favour of the Company's continuation. The feedback received was positive and highlighted the contact between the Investment Manager and Shareholders, the long term investment of many Shareholders, the diversification of the Company's register of Shareholders and the Company's inclusion on many buy lists at private wealth managers and retail platforms. Shareholders voted for the continuation of the Company at last year's AGM, where 100% of the votes cast, were in favour of continuation. The next continuation vote will be held at the AGM in September 2025. **Directors' Remuneration** As detailed in the Chair's statement and Remuneration Committee report, shareholder approval will be sought at the Company's AGM to increase the aggregate annual sum available for directors' fees from £250,000 to £300,000. Should the ordinary resolution be passed by Shareholders, Article 99 shall be annotated accordingly.
Investment Manager	**Engagement** Through the Board meeting cycle, which was enhanced in 2020 to include additional monthly informal update meetings, regular updates and the work of the Management Engagement Committee reviewing the services of the Investment Manager twice yearly, the Board is able to safeguard Shareholder interests by: • Ensuring adherence to the Investment Policy; • Ensuring excessive risk is not undertaken in the pursuit of investment performance; • Ensuring adherence to the Investment Management Policy and reviewing the agreed management and performance fees; • Reviewing the Investment Manager's decision making and consistency in investment process; and • Considering the succession plans for the Technology Team in ensuring the continued provision of portfolio management services. Maintaining a close and constructive working relationship with the Manager is crucial as the Board and the Investment Manager both aim to continue to achieve consistent, long-term returns in line with the Investment Objective. The culture which the Board maintains to ensure this involves encouraging open discussion with the Investment Manager; recognising that the interests of Shareholders and the Investment Manager are aligned, providing constructive challenge and making Directors' experience available to support the Investment Manager. This culture is aligned with the collegiate and meritocratic culture which Polar Capital has developed and maintains. **Outcomes and strategic decisions during the year** The Management Engagement Committee has recommended the continued appointment of the Investment Manager on the terms agreed within the Investment Management Agreement.

Section 172 of the Companies Act 2006 continued

Stakeholder Group	How we engage with them
Investee Companies	**Stewardship** The Board has instructed the Investment Manager to take into account the published corporate governance policies of the companies in which it invests. The Board has also considered the Investment Manager's Stewardship Code and Proxy Voting Policy. The Voting Policy is for the Investment Manager to vote at all general meetings of companies in favour of resolutions proposed by the management where it believes that the proposals are in the interests of Shareholders. However, in exceptional cases, where it believes that a resolution could be detrimental to the interests of Shareholders or the financial performance of the Company, appropriate notification will be given and abstentions or a vote against will be lodged. The Investment Manager reports to the Board, when requested, on the application of the Stewardship Code and Voting Policy. The Investment Manager's Stewardship Code and Voting Policy can be found on the Investment Manager's website in the Corporate Governance section (www.polarcapital.co.uk). The Technology Investment Team also use the services of ISS to assist with their own evaluation of companies' proposals or reporting ahead of casting votes on behalf of the Company at their general meetings. During the year ended 30 April 2021, votes were cast at 98.20% of investee company general meetings held. At 51.35% of those meetings a vote was either cast against management recommendation, withheld or abstained from. In terms of total proposals, votes in line with management recommendation totalled 86.1% and 14.2% against management recommendation. Further information on how the Investment Manager considers ESG in its engagement with investee companies can be found on pages 33 to 36. **Outcomes and strategic decisions during the year** During the year the Board discussed the impact of ESG and how the Investment Manager factors it into its decision making. In addition, consideration was given to the Company's ESG journey going forward and the form this would take.
Service Providers	**Engagement** The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting and due diligence meetings or site visits. This engagement is completed with the aim of having effective oversight of delegated services, seeking to improve the processes for the benefit of the Company and to understand the needs and views of the Company's service providers, as stakeholders in the Company. Further information on the Board's engagement with service providers is included in the Corporate Governance Statement and the Report of the Audit Committee. Due to the ongoing restrictions in connection with COVID-19, due diligence meetings have, in the year under review, been undertaken by the Investment Manager in a virtual fashion and where possible, service providers have joined video conference meetings to present their reports directly to the Board or the Audit Committee as appropriate. **Outcomes and strategic decisions during the year** The reviews of the Company's service providers have been positive and the Directors believe their continued appointment is in the best interests of the Company. The accounting and administration services of HSBC Securities Services (HSS) are contracted through Polar Capital and provided to the Company under the terms of the IMA. The Board however continues to conduct due diligence service reviews in conjunction with the Company Secretary and is satisfied that the service received continues to be of a high standard.

<table>
<tr><th>Stakeholder Group</th><th>How we engage with them</th></tr>
<tr><td>Proxy Advisors</td><td>Engagement

The support of proxy adviser agencies is important to the Directors, as the Company seeks to retain a reputation for high standards of corporate governance, which the Directors believe contributes to the long-term sustainable success of the Company. The Directors consider the recommendations of these various proxy voting agencies when contemplating decisions that will affect Shareholders and also when reporting to Shareholders through the Half Year and Annual Reports.

Recognising the principles of stewardship, as promoted by the UK Stewardship Code, the Board welcomes engagement with all of its investors. The Board recognises that the views, questions from, and recommendations of many institutional investors and proxy adviser agencies provide a valuable feedback mechanism and play a part in highlighting evolving Shareholders' expectations and concerns.

Prior to AGMs, the Company engages with these agencies to fact check their advisory reports and clarify any areas or topics that the agency requests. This ensures that whilst the proxy advisory reports provided to Shareholders are objective and independent, the Company's actions and intentions are represented as clearly as possible to assist with Shareholders' decision making when considering the resolutions proposed at the AGM.

Outcomes and strategic decisions during the year

The Nomination Committee considers the time commitment required of Directors and the Board considers each Director's independence on an ongoing basis. The Directors have also considered the proxy adviser agencies policies on overboarding when Directors request approval for additional appointments and when recruiting new Directors. The Board is aware that some investment companies and other AIM listed companies have less regulatory burden than companies with a premium listing and this is taken into consideration when approving such requests. The Board have confirmed that all Directors remain independent and able to commit sufficient time in fulfilling their duties, including those listed on s172 of the Companies Act. Accordingly, all Directors are standing for re-election at the Company's AGM. Further information has been provided where appropriate in each directors biography on pages 12 and 13.</td></tr>
<tr><td>THE AIC</td><td>Engagement

The Company is a member of the AIC and has also supported lobbying activities such as the consultation on the 2019 AIC Code. The Directors also cast votes in the AIC Board Elections each year and regularly attend AIC events.</td></tr>
</table>

Approved by the Board on 20 July 2021

By order of the Board

Tracey Lago, FCG
Polar Capital Secretarial Services Limited

Company Secretary

20 July 2021

Corporate Governance

Report of the Directors

The Directors present their Report, including the Report on Corporate Governance, together with the Audited Financial Statements for the year ended 30 April 2021 prepared in accordance with international accounting standards (IAS) in conformity with the requirements, including the legal requirements, of the Companies Act 2006 (the Act). On the conclusion of the BREXIT transition period, on 31 December 2020, the EU adopted International Financial Reporting Standards (EU IFRS) against which the Company has previously reported, were frozen and companies preparing financial statements under IAS but with a filing process straddling the end of the transition period, are required to prepare financial statements with reference to the frozen on-shored IFRS standards within IAS under the Act. The changes to presentation do not represent a change in the basis of accounting and do not necessitate a prior year restatement. Future years' financial statements will be prepared under the equivalent UK adopted standards.

The attention of Shareholders is drawn to the Strategic Report Section (Chair's Statement, the Investment Manager's Report and the Strategic Report) which provide further commentary on the activities and outlook for the Company.

Introduction and Status

The Company is incorporated in England and Wales as a public limited company and domiciled in the United Kingdom. It is an investment company as defined in Section 833 of the Companies Act 2006 and its ordinary shares are listed and traded on the London Stock Exchange.

The Company seeks to operate as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010 (as amended by section 42(2) of the Finance Act 2011). This qualification permits the accumulation of capital gains within the portfolio without liability to UK Capital Gains Tax. As an approved investment trust, the close company provisions do not apply. The Directors, under advice, expect the affairs of the Company to continue to satisfy the relevant conditions.

As an investment trust the Company's ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to do so for the foreseeable future so that the exclusion continues to apply.

Purpose

The purpose of the Company is to provide a vehicle in which investment is spread across a diversified portfolio of technology companies which aim to deliver long term capital growth to shareholders. The Investment objective and policy seeks to achieve this by providing investors with global exposure to technology companies and sets parameters to ensure the portfolio is diversified and excessive risk is not undertaken. As an externally managed investment trust, the culture of the Company is consequential of the Board's diversity, decisions and behaviours which generally are aligned with the values and behaviours of the Investment Manager, interaction between the two and engagement with the Company's stakeholders. The Board monitors this culture, including the policies and practices it implements to maintain it.

The Company is registered under the United States' FATCA legislation and its Global Intermediary Identification Number (GIIN) is J29SBF.99999.SL.826. The Company's Legal Entity Identifier (LEI) code is 549300TN1O5392UC4K19.

2021 Annual General Meeting ("AGM")

The AGM will be held on 1 September 2021. A Notice of AGM will be provided to all Shareholders on the register and will also available on the Company's website in early August. The Notice of AGM will include the formal business to be conducted at the meeting and further details of how the AGM will be held with consideration to any restrictions that may then be in place.

The AGM will be arranged based on the UK Government's guidance at the time of writing and with consideration of the wellbeing of Shareholders and all those involved with the meeting. We hope to be able to welcome our Shareholders in person to the AGM, however the situation regarding COVID-19 is constantly evolving, and we are unsure where we will be in September 2021. The health and welfare of our Shareholders is important to us and we strongly advise all Shareholders to consider their own personal circumstances and avoid unnecessary travel where possible; we encourage all Shareholders to exercise their votes in advance of the meeting by completing and submitting their form of proxy and appointing the Chair of the meeting as their proxy. All voting on the resolutions will be conducted on a poll.

Arrangements for the meeting will be communicated to shareholders within the published Notice of AGM, on the Company's website and via a Regulatory Information Service. Shareholders are encouraged to send any questions ahead of the AGM to the Board via the Company Secretary at **cosec@polarcapital.co.uk** stating the subject matter as **PCTT-AGM**. We will endeavour to answer relevant questions at the meeting or via the website depending on arrangements in place at the time.

Life of the Company

The Articles of Association of the Company provide that a vote on whether the Company should continue in operation be proposed as an ordinary resolution at every fifth AGM of the Company. Such a resolution was proposed at the AGM held on 2 September 2020 and was passed with 100% of the votes cast in favour of continuing for a further five years. The next continuation vote will be proposed at the AGM to be held in September 2025.

Directors

The current Directors of the Company are listed on pages 12 and 13. All the Directors held office throughout the year under review. All Directors will retire and seek re-election at the AGM in September 2021 in accordance with the AIC Code, which recommends annual re-election for all directors. The fees paid to the Directors are set out in the Directors' Remuneration Report. The Board have considered the support for the Directors' re-election and the rationale for such is set out on pages 12 and 13.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm there are no disclosures to be made pursuant to this rule.

Corporate Governance Statement

The Report on Corporate Governance on pages 73 to 80 forms part of this Directors' Report.

Capital Structure

Issued

The Company's share capital is divided into ordinary shares of 25p nominal value each. At 30 April 2021, there were 137,315,000 ordinary shares in issue of which 770,236 were held in treasury (2020: 134,566,000 ordinary shares, no shares were held in treasury). As at 19 July 2021, the latest practicable date prior to signing of this report, there were 137,315,000 ordinary shares in issue of which 1,308,768 were held in treasury.

Changes During the Year

In the year under review, the Company issued 2,749,000 ordinary shares and bought back 770,236 ordinary shares which were placed into treasury. Since the year ended 30 April 2021 to 19 July 2021, a further 538,532 shares have been bought back and placed in treasury. Further details can be found in Note 28 on page 129 to the Financial Statements.

Voting Rights

Ordinary shares carry voting rights which are exercised on a show of hands at a meeting, or on a poll, where each share has one vote. Arrangements for the casting of proxy votes are provided when a notice of meeting is issued.

Transferability

Any shares in the Company may be held in uncertificated form and, subject to the Articles, title to uncertificated shares may be transferred by means of a relevant system.

Subject to the Articles, any member may transfer all or any of their certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be executed by or on behalf of the transferor and (in the case of a partly-paid share) the transferee.

The Board may, in its absolute discretion and without giving any reason, decline to register any transfer of any share which is not a fully paid share. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer: (i) is duly stamped or certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require; (ii) is in respect of only one class of share; and (iii) if joint transferees, are in favour of not more than four such transferees.

The Board may decline to register a transfer of any of the Company's certificated shares by a person with a 0.25% interest (as defined in the Articles) if such a person has been served with a restriction notice (as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act 2006, unless the transfer is shown to the Board to be pursuant to an arm's length sale (as defined in the Articles).

The Company is not aware of arrangements to restrict the votes or transferability of its shares.

Report of the Directors continued

Powers to issue ordinary shares and make market purchases of ordinary shares

The Board was granted authority by Shareholders at the AGM in 2020 to allot equity securities up to a nominal value of £3,432,875, representing approximately 10 per cent. of the then issued share capital, and to issue those shares for cash without offering those shares to Shareholders in accordance with their statutory pre-emption rights. These powers will expire at the AGM to be held in September 2021 and renewal of the authorities will be sought at that AGM. New ordinary shares will not be allotted and issued at below the Net Asset Value.

The Board also obtained Shareholder authority at the AGM in 2020 to make market purchases up to a nominal value of £5,145,880 representing approximately 14.99 per cent. of the then issued share capital, or 20,583,520 ordinary shares, for cancellation or holding as treasury shares in accordance with the terms and conditions set out in the resolution. This authority expires at the AGM to be held in September 2021 and renewal of the authority to make market purchases of ordinary shares will be sought at that AGM.

The level of the ordinary share price discount or premium to the Net Asset Value together with internal guidelines for the repurchase or issuance of new ordinary shares are kept under regular review by the Board. The Board considers that discount volatility is unattractive to Shareholders but as a specialist investment fund, market sentiment can create sustained discount pressure. With this in mind the Board has a pragmatic approach to share buy backs. While there is no formal discount policy the Board discusses the market factors giving rise to any discount or premium, the long or short-term nature of those factors and the overall benefit to Shareholders of any actions. The Board regularly considers, in comparison to the sector and peers, the level of premium and discount of the share price to the NAV and ways to enhance Shareholder value including share issuance and buy backs.

Major interests in ordinary shares

As at the year end of 30 April 2021, the Company had received notifications from the following shareholders in respect of their own and their clients' interests in the voting rights of the Company:

Shareholder	Type of Holding	Number of Shares	% of voting rights*
Rathbone Brothers plc	Indirect	15,017,658	11.04%
Brewin Dolphin Ltd	Indirect	9,946,829	7.31%
Investec Wealth & Investment Ltd	Direct	6,813,636	5.01%
Quilter plc	Indirect	6,704,725	4.93%
Lazard Asset Management LLC	Both	6,383,454	4.69%

* The above percentages are calculated by applying the shareholdings as notified to the issued share capital at 19 July 2021 of 136,006,232 ordinary shares being all the issued ordinary shares excluding those held in treasury where voting rights are suspended.

Disclosure of information to the Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

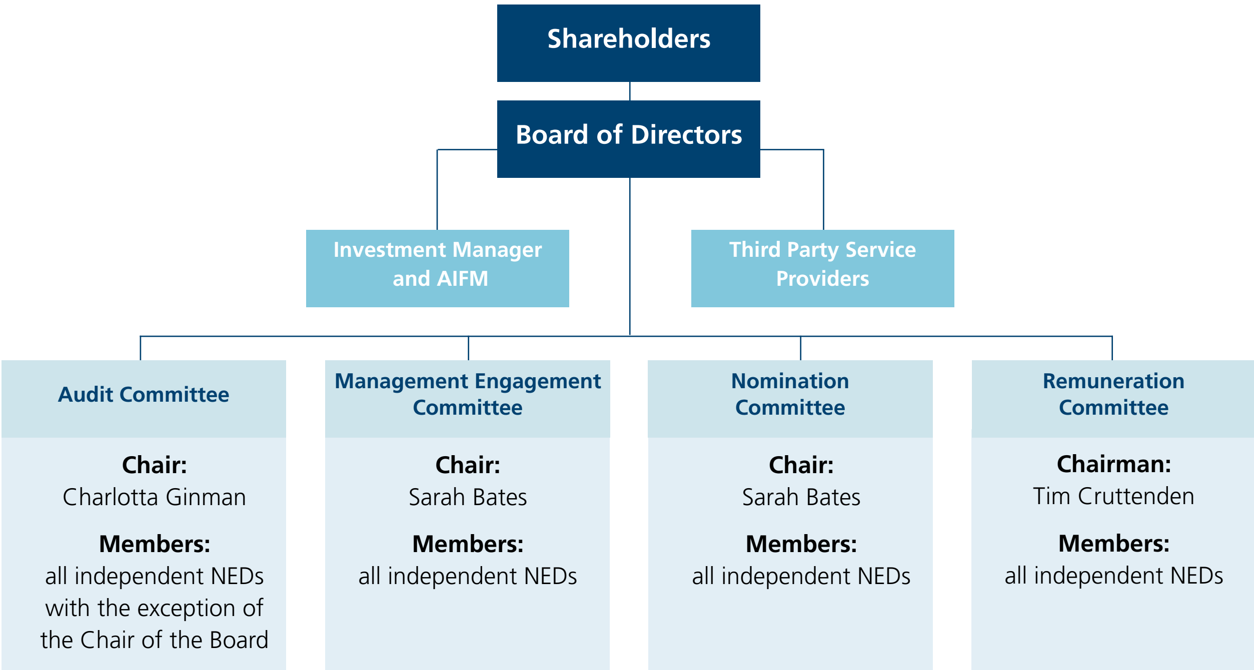
Tracey Lago, FCG
Polar Capital Secretarial Services Limited Company Secretary

20 July 2021

Report on Corporate Governance

Corporate Governance Framework

The following diagram demonstrates the governance framework within which the Company is managed. The Directors are ultimately accountable to the Company and its Shareholders and are therefore responsible for good governance of the Company. The Company has no employees and relies on third parties to administer the Company and to provide investment management services.



The Financial Reporting Council (FRC) has endorsed the Association of Investment Companies ('AIC') Code of Corporate Governance (the 'AIC Code') for AIC Member Companies to report against in relation to their corporate governance provisions. The AIC Code addresses the relevant principles set out in the FRC UK Code as well as additional principles and recommendations on issues that are specific to investment trust companies.

The FRC has confirmed that by following the AIC Code, boards of investment companies (including those structured as investment trusts) will meet their obligations under FCA Listing Rule 9.8.6. As an externally managed investment trust many provisions of the FRC UK Code are not relevant, including those relating to the roles of chief executive, executive directors' remuneration, statement of gas emissions and the requirement to have an internal audit function.

In addition, there are provisions within the FRC UK Code which the Board has chosen to depart from in favour of following the AIC Code, such as the Company's formal Chair Tenure Policy allows the Chair to continue in role in excess of 9 years. See page 78 for more information.

Statement of Compliance and Application of The AIC Code's Principles

The Board has considered the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board believes that the Company's current practices are consistent in all material respects in applying the principles and complying with the provisions of the AIC Code. The Board will continue to observe the principles and recommendations set out in the AIC Code.

Report on Corporate Governance continued

The AIC Code's principles and provisions are structured into five sections: Board leadership and purpose; division of responsibilities; composition, succession and evaluation; audit, risk and internal control; and remuneration. The Company's application of the principles and compliance with the provisions of each section is detailed on the following pages.

Board Leadership and Purpose (Principles A-E, Provisions 1-7) Purpose

The purpose of the Company is to provide a vehicle in which investment is spread across a diversified portfolio of technology companies which aim to deliver long term capital growth to shareholders. The Investment objective and policy seeks to achieve this purpose by providing investors with global exposure to technology companies and sets parameters to ensure the portfolio is diversified and excessive risk is not undertaken. As an externally managed investment trust, the culture of the Company is consequential of the Board's diversity, decisions and behaviours which are aligned with the values and behaviours of the Investment Manager, interaction between the two and engagement with the Company's stakeholders. The Board monitors this culture, including the policies and practices it implements to maintain it.

Board Leadership

In promoting the long-term sustainable success of the Company, the performance of the Company's portfolio is constantly reviewed in view of value generation for Shareholders by achievement of the investment objective. Investment management fees are reviewed periodically, with the last change being made in 2019. The Company's performance over the previous ten years can be found on page 3 and how the Board views its duties is considered in the s172 statement on pages 63 to 67. The Board's engagement with Shareholders and stakeholders and how it contributes to strategic decision making is also discussed within the s172 statement. Participation from both groups is encouraged and the Board can be easily contacted through the Company Secretary. The Company's service providers are subject to periodic visits and attend service review and other meetings throughout year, ensuring effective engagement. Fulfilling the Investment Objective and the Company's performance is the focus of the Board's primary discussions in meetings, these are also reported on at least monthly.

The Board's effectiveness, including how it promotes the long-term sustainable success of the Company, is reviewed annually and facilitated by an external evaluator every three years. The evaluation process is managed by the Nominations Committee and the outcomes from the evaluation are detailed on page 79.

Role, responsibilities and committees of the board

The Board has created four standing committees for which terms of reference are available on the Company's website. In addition to formal meetings, the Board also holds ad hoc meetings or creates ad hoc committees (such as the Black Swan Committee) to enact or approve policies or actions agreed in principle by the whole Board. The Chair of each committee attends the AGM to deal with questions relating to the Financial Statements and their specific mandates. The Board has delegated to each of the Audit, Management Engagement, Remuneration and Nomination Committees specific remits for consideration and recommendation, but the final responsibility in these areas remains with the Board.

The number of formal meetings of the Board and its Committees held during the year ended 30 April 2021 and the attendance of individual Directors are shown below, during 2020 to date the Board has also met informally at least on a monthly basis to review the market effects from the global pandemic and discuss operational aspects with representatives of the Investment Manager.

	Board & Strategy	Audit	Management Engagement	Remuneration	Nomination	2020 AGM
Number of Meetings						
Sarah Bates*	6	3	2	1	1	1
Tim Cruttenden	6	3	2	1	1	1
Charlotta Ginman	6	3	2	1	1	1
Charles Park	6	3	2	1	1	1
Stephen White	6	3	2	1	1	1
Peter Hames**	2	2	1	1	1	-

* Sarah Bates attends the Audit Committee by invitation.

** Peter Hames retired on 8 July 2020.

Service Provider Performance Evaluation Process

Investment Manager

The Board has contractually delegated the day to day management of the portfolio to Polar Capital LLP (the 'Manager' or 'Investment Manager'), directly represented by Ben Rogoff as Portfolio Manager. It is the Portfolio Manager's sole responsibility to take decisions as to the purchase and sale of individual investments other than unquoted investments where the Board is consulted. The Portfolio Manager has responsibility for tactical gearing, asset allocation and sector selection within the guidelines established and regularly reviewed by the Board.

The Manager is responsible for providing or procuring accountancy services, company secretarial and administrative services. The Manager also ensures that all Directors receive in a timely manner all relevant management, regulatory and financial information. Representatives of the Manager attend all Board meetings enabling the Directors to probe further on matters of concern or seek clarification on certain issues.

The whole Board reviews the performance of the Manager in all service disciplines and, at each Board meeting, the Company's performance against the market and a peer group of funds with similar investment objectives is reviewed. The investment team provided by the Manager, led by Ben Rogoff, has long experience of investment in technology. In addition, the Manager has other investment resources which support the investment team and has experience in managing and administering other investment trust companies.

Report of the Management Engagement Committee

The Management Engagement Committee is chaired by Sarah Bates. The Committee comprises all the independent Non-executive Directors. During the financial year ended 30 April 2021 the Committee met twice to consider the relationship with, and the services provided by the Manager prior to making its recommendation to the Board that the retention of the Manager would be in the best interests of Shareholders.

The Committee is also responsible for keeping under review the terms of the Investment Management Agreement ('IMA') and the Manager's appointment as AIFM. In connection with the IMA review, the Committee considers the level and structure of management and performance fee paid or payable to the Manager, making relevant recommendations to the Board when appropriate. As referenced in the Strategic Report and detailed in the Notes to the Financial Statements, the Board keeps the fee arrangements with Polar Capital LLP under review and considers any recommendations of the Committee. In May 2021, the Committee noted the continued growth in the size of assets under management and noted that performance has been strong over the last three years. The Committee reflected on the changes made to the fee arrangements in 2019 which have been in force since 1 May 2019 and confirmed that the next full review would be carried out through 2021 and any negotiated changes would come into effect from 1 May 2022.

Report on Corporate Governance continued

The Company uses a variety of performance measures when monitoring the performance of the portfolio managed by the Portfolio Manager. These measures are considered to be Alternative Performance Measures under the ESMA* guidelines and are described further on pages 130 to 131.

Other Suppliers

The Board also monitors directly or through the Investment Manager the performance of its other key service providers.

- The Board has directly appointed HSBC Bank Plc as Depositary and Stifel Nicolaus as Corporate Broker. The Depositary reports quarterly and makes an annual presentation to the Board. The Corporate Broker provides reports to each Board meeting and joins the Board on request to discuss markets and other issues.
- The Registrar, Equiniti Limited, is directly appointed by the Board and the performance of its duties is monitored by the Company Secretary.
- Other suppliers such as printers, website designers and PR agents are monitored by the Company Secretary and each report to the Board as and when deemed necessary.

Report Of The Nomination Committee

The Report of the Nomination Committee can be found under Composition, Succession and Evaluation on pages 78 and 79. Due to the fully independent non-executive Board comprising five Directors, the Board has deemed it appropriate for the full Board to also fulfil the role of the Nomination Committee.

Report Of The Audit Committee

Charlotta Ginman chairs the Audit Committee and all independent Non-executive Directors are members with the exception of the Chair of the Board, who may be invited to attend meetings as a guest. The Audit Committee Report is set out on pages 81 to 86.

Report Of The Remuneration Committee

Peter Hames chaired the Remuneration Committee until he retired from the Board on 8 July 2020. Tim Cruttenden became Chairman of the Committee thereafter. The Report of the Remuneration Committee can be found on pages 87 to 92.

* See Glossary on page 132

Division Of Responsibilities (Principles F-I, Provisions 8-21)

The Chair

The Chair is responsible for the leadership of the Board and works with the Company Secretary for setting the Board meeting agendas and for balancing the issues presented to each meeting. Open and honest debate is encouraged at each Board meeting and the Chair keeps in touch with both the Company Secretary and other Directors between Board meetings. Sarah Bates was appointed to the Board in 2011 and appointed as Chair of the Board in 2017. The Chair was independent on appointment and continues to meet the criteria for independence with the exception of tenure in excess of 9 years which the Board has countered by implementing a formal Chair tenure policy. The Board does not consider that the length of a Director's tenure, in isolation, reduces his or her ability to act independently. The Board's believes that continuity and experience add significantly to the strength of the Board. Please refer to page 78 for more detail on the Chair Tenure Policy. The Board considers the competence and independence of the Directors on an annual basis.

The Senior Independent Director ('Sid')

The SID leads on matters relating to the position, evaluation and remuneration of the Chair and can be contacted via the Registered Office of the Company. Peter Hames was the SID until his retirement on 8 July 2020 when Tim Cruttenden was appointed as SID.

Board Responsibilities

The Board currently comprises five Non-executive Directors who are all considered to be independent. The Board considers that its overall composition is adequate for the effective governance of the Company. A formal schedule of matters specifically reserved for decision by the full Board has been defined and a procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. No independent professional advice has been sought during the year. The Directors have access to the advice and services of the Company Secretary which is provided in compliance with the IMA through Polar Capital Secretarial Services Limited. An appointed representative, Tracey Lago, is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. The Board and Investment Manager operate in a supportive, co-operative and open environment.

The Board has a schedule of regular meetings through the year and meets at additional times as required. During the year, Board and Board Committee meetings were held to deal with the ongoing stewardship of the Company and other matters including the setting and monitoring of investment strategy and performance, review of the Financial Statements and considering any Shareholder feedback. The level of share price discount or premium to the net asset value are kept under review along with matters affecting the industry and the evaluation of third-party service providers. The Board was responsible for considering, reviewing and implementing appropriate policies in respect of regulatory changes that impacted the Company. Following the outbreak of COVID-19, the Board implemented informal investment update meetings with the Manager, initially weekly, moving to fortnightly and then monthly. These meetings continue to be held in all months within which a formal Board meeting is not scheduled, to keep up to date on the Company's performance and put in place any responses or practices deemed appropriate according to the live market and industry situation.

The Board continues to consider the Company's strategy and its relevance to the market and shareholders as a whole at each Board meeting and at least one Board meeting per year includes an in-depth focus on strategy. Through this process the Board supervises the management of the investment portfolio, the work of the Investment Manager, the risks to which the Company is exposed and their mitigation, and the quality of services received by the Company.

The Nomination Committee seeks to balance the time required, skills, knowledge and experience of individual Directors to form an effective and efficient Board. Additional appointments are made in compliance with the Board's conflicts of interests policy which also considers the time commitment of external appointments.

Delegated Responsibilities

The Board has delegated to each of the Audit, Management Engagement, Remuneration and Nomination Committees specific remits detailed within the terms of reference which are available on the Company's website, but the final responsibility in these areas remains with the Board. The Chair of each committee attends the AGM to deal with questions relating to the Annual Report and Financial Statements. Attendance at each of these meetings is disclosed on page 75. Given the size of the Board and that all the Directors of the Company are Non-executive, all members of the Board serve on each Committee , with the exception of Sarah Bates who is an invited as a guest at meetings of the Audit Committee. This encourages unity, clear communication and prevents duplication of discussion between the Board and the Committees.

Directors' Professional Development

When new Directors are appointed, they are offered an induction course provided by the Manager. Directors are welcome to visit the Manager at any time to receive an update on any aspect of interest or a refresher on the Manager's operations both generally and those which are specific to the Company. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory obligations and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also regularly participate in professional and industry seminars and may use the Manager's online training resources to ensure they maintain their knowledge.

Conflicts Of Interest

Directors have a duty to avoid a situation in which they have a conflict of interest or a possible conflict with the interests of the Company. The Company's Articles of Association contain provisions to permit the Board to authorise conflicts or potential conflicts.

The Board has in place a policy to govern situations where a potential conflict of interest may arise, for example where a Director is also a Director of a company in which the Company invests or may invest. Where a conflict situation arises, the conflicted Director is excluded from any discussions or decisions relating to the matter of conflict.

No Director has declared the receipt of any benefits other than their emoluments and associated expenses in their capacity as a Director of the Company.

There were no contracts subsisting during or at the end of the year in which a Director is or was interested and which is or was significant in relation to the Company's business or to the Director since its introduction. All the Directors were considered independent of the Investment Manager and had no relationship or conflicts which were likely to affect their judgement. The Directors' interests in the ordinary shares of the Company are set out on page 91 of the Directors' Remuneration Report.

Report on Corporate Governance continued

Composition, succession and evaluation (principles j-l, provisions 22-28)

Board composition

When considering Board structure and composition, the Nomination Committee seeks to ensure the candidates considered will enhance the Board and replace or refresh desired skill sets. The Board has a policy to consider diversity and has worked hard to ensure the broadest range of candidates are found when recruiting new directors. When recruiting directors, the Nomination Committee seeks to follow the diversity recommendations of the Hampton-Alexander and Parker Reviews, amongst other factors, which will continue to be a consideration for future appointments.

During the year under review the Board welcomed Aaron Jean-Baptiste as a board apprentice. Aaron joined following a selection and interview process from 'Board Apprentice' which is a not-for-profit organisation with the objective of promoting and increasing diversity on boards by widening the pool of non-executive, board-ready candidates. Aaron joined in February 2021 for a period of 12 months and attends all Board and Committee meetings as an observer.

Succession

The Board believes that retaining Directors with sufficient experience of the Company, investment industry and financial markets is of benefit to shareholders while recognising that regular refreshment of approach is equally of benefit and importance.

In 2019 a temporary sub-committee of the Nomination Committee was formed, comprising Tim Cruttenden, Charlotta Ginman, Charles Park and Stephen White. The purpose of the sub- committee at the time was to consider the tenure policy of the Chair and the SID. This sub-committee continued in operation and met during the year under review to consider the succession and refreshment of the Board ahead of the Chair of the Board and Audit Chair reaching their maximum tenure of 12 and 9 years respectively. The sub-committee agreed that the next phase of the recruitment process should be the recruitment of a new Non-executive director to succeed Charlotta Ginman as Audit Chair in 2024. In order to encourage all relevant candidates, including those with little or no board level experience, the sub-committee initiated the process early in order to provide a longer hand-over process. The Company engaged Nurole to assist with the recruitment search and to identify suitably qualified external candidates. It is anticipated that this process will conclude in the latter part of 2021.

Chair Tenure Policy

It is the Board's view that in the circumstances of an investment company, where corporate knowledge and continuity can add value, there may be merit in appointing one of its members to the Chair. In addition, there may be circumstances where succession plans are disrupted such that an internal candidate with some years' existing experience is the most appropriate candidate for the Chair. In other circumstances an external candidate may be more appropriate.

The Board's policy is that the maximum tenure for the Chair is up to 12 years (where up to nine years of this could be served as a Non-executive Director). The Board believes that due to the staggered nature of the appointment dates of existing and future Directors, and the expectation that Directors, unless assuming the role of Chair or there being unforeseen circumstances, will retire from the Board after nine years of service, there is regular refreshment of the Board. When new Non-executive Directors are recruited, consideration is given to all forms of diversity in order to balance both the expertise on, and the structure of, the Board as a whole.

Performance and re-election

The Board formally reviews the performance of the Directors each year and considers any recommendations of the Nomination Committee, the deliberations of which take place in the absence of any Board nominee. Directors are required to stand for election by Shareholders at the first AGM following their appointment to the Board and each Director will stand for re-election annually.

The rationales for re-election of each Director is included in the Board of Directors biographies on pages 12 and 13 and the Chair's letter which accompanies the Notice of Annual General Meeting at which the re-election resolution is being put to Shareholders.

Report of the nomination committee

Sarah Bates, as Chair of the Board, chairs the Nomination Committee and all Directors are members. The Committee meets at least annually and is responsible to the Board for the size and structure of the Board as well as for succession planning and the tenure policies for the Chair and Directors.

When considering Board structure and composition, the Committee seeks to ensure the candidates considered will enhance the Board and replace or refresh desired skill sets. The Board has a policy to consider diversity and has worked hard to ensure the broadest range of candidates are found when recruiting new directors.

Meetings and Work Undertaken

During the financial year ended 30 April 2021 the Nomination Committee met twice and considered the structure, size and composition of the Board. It was agreed that all relevant targets were being met in relation to diversity, experience and expertise on the Board. As noted above the sub-committee appointed in 2019 continued in effect through the year under review.

Evaluation

The Nomination Committee is also responsible for coordinating the evaluation of the Board and considering the conclusions from that review. The evaluation undertaken in 2020-2021 was self-administered and incorporated completion of questionnaires and separate interviews of the Chair with each Director, culminating in written reports being provided to the Committee and the Board.

The evaluation process was also used by the Committee to carefully review and rigorously assess the contribution of each Director and their independence. The performance review of the Chair was also carried out by the Committee, led by the SID. The Committee has determined that each Director standing for re-election continued to offer relevant experience, effectively contributed to the operation of the Board and had demonstrated independent views on a range of subjects. The Committee is satisfied that the structure, mix of skills and operation of the Board continue to be effective and relevant for the Company.

The evaluation of the Chair is led by the SID. The evaluation outcomes are reviewed by the Board as a whole and, should it be deemed necessary, additional reporting measures or operations are put in place.

The evaluation process considers the balance of skills, experience, knowledge and independence on the Board. Consideration is also given to its diversity and other factors which contribute to the effectiveness of the Board, including how the Directors interact as a unit.

The Company has no employees and the Board is comprised of two female and three male Non-executive Directors. When new appointments are made to the Board, the Board will continue to have regard to the benefits of diversity, including gender, when seeking to make any such appointments.

The last externally facilitated evaluation was carried out in 2019 by Lintstock Ltd, an external facilitator with no other connection to the Company or individual Directors. External evaluations have been completed every three years whilst the Company has been a constituent of the FTSE 350.

Audit, Risk And Internal Control (Principles M-O, Provisions 29-36)

Internal Controls

The Board has overall responsibility for the Company's system of internal control, for reviewing its effectiveness and ensuring that risk management and control process are embedded in the day to day operations which are operated or overseen by the Investment Manager.

The Board, through the Audit Committee, has established a process for identifying, evaluating, monitoring and reviewing, and managing any principal risks faced by the Company. This is documented through the use of a Risk Map which is subject to regular review by the Audit Committee and accords with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014 by the Financial Reporting Council. As the Company has no employees and its operational functions are carried out by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function.

Contracts with suppliers are entered into after full and proper consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

The Investment Manager has an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The Manager is authorised and regulated by the Financial Conduct Authority and its compliance department monitors the Company's compliance with the various rules and regulations applicable to it including the FCA's rules, AIFMD, MiFID II and GDPR, for example.

Report on Corporate Governance continued

The Audit Committee reviews and reports to the Board on the operation of the controls which are embedded within the business of the Manager and other third-party suppliers. Controls and risk management covering the risks identified, including financial, operational, compliance, safeguarding of assets, maintenance of proper accounting records and the publication of reliable financial information are monitored by a series of regular reports from the Investment Manager including risks not directly the responsibility of the Investment Manager.

Operation of Internal Controls

The process was active throughout the year and up to the date of approval of this Annual Report. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, in assessing the effectiveness of the Company's internal controls has, through the Audit Committee, received formal reports on the policies and procedures in operation, including the policies put in place in connection with COVID-19. The reports also include results of tests, with details of any known internal control failures from the Investment Manager for its financial year ended 31 March 2021. For the year under review, no material errors or control failures had been identified. The Manager has subsequently provided confirmation that there has been no material change to the control environment up to the date of signing these Financial Statements.

The Board also considers reports provided by other third-party suppliers and ad hoc reports from the Investment Manager are supplied to the Board as required.

The Manager has delegated the provision of accounting, portfolio valuation and trade processing to HSBC Securities Services but remains responsible to the Company for these functions and provides the Board with information on these services.

Based on the work of the Audit Committee and the reviews of the reports received by the Audit Committee on behalf of the Board, the Board has concluded that there were no material control failures during the year and up to the date of this report.

Remuneration (Principles P-R, Provisions 37-42)

Peter Hames served as Senior Independent Director and Chairman of the Remuneration Committee until 8 July 2020 when he was succeeded by Tim Cruttenden. All independent Non-executive Directors are members of the Committee. The Company's remuneration policy, approved by Shareholders at the AGM in September 2020, is detailed within the Report of the Remuneration Committee on page 87 and explains how the policy is designed to support strategy and promote long-term sustainable success. The Committee meets at least annually and is responsible to the Board for consideration and recommendations in relation to directors' remuneration. Consideration is given to peer investment trust companies remuneration levels, industry guidance, the work undertaken by the Board in the prior year and plans for the year ahead. Remuneration levels are set to attract and retain the correct calibre of individual to the Board. Further details are provided in the Directors' Remuneration Report on pages 87 and 92. The Directors are excluded from discussions in relation to their own remuneration.

By order of the Board

Tracey Lago, FCG
Polar Capital Secretarial Services Limited Company Secretary

20 July 2021

Audit Committee Report

Charlotta Ginman
Chair of the Audit Committee

Introduction from The Chair

I am pleased to present, as Chair of the Audit Committee, my sixth annual report to Shareholders.

Committee Composition

The Committee comprises all of the independent Non-executive Directors; with the exception of the Chair of the Board who attends Committee meetings by invitation.

The Audit Committee, as a whole, has competence relevant to the sector in which the Company operates. Committee members have a range of financial, investment and other relevant sector experience including fund management in both listed and private equity funds. The requirement for at least one member of the Committee to have recent and relevant financial experience is satisfied by both Stephen White and myself being Chartered Accountants and we both currently chair Audit Committees for other public companies. More information about the Committee members can be found in the Directors' biographies on pages 12 and 13.

The Committee met three times during the financial year with all members attending each meeting. The Committee has functioned remotely for the financial year due to the restrictions in place in relation to the COVID-19 pandemic. Zoom videoconferencing and online Diligent Boardbooks continue to be utilised to assist with the smooth running of meetings. I am pleased to confirm that this has worked well, with Committee members being able to operate as effectively as before and that there has been no break in service from external providers.

Committee Role and Responsibilities

The Committee has written terms of reference which clearly define its responsibilities and duties. The terms of reference which are reviewed annually by the Committee and approved by the Board, are available to view on the Company's website, www.polarcapitaltechnologytrust.co.uk.

Significant issues considered by the Audit Committee During The Year

COVID-19

COVID-19 has impacted everyone around the world over the last 18 months and the longer-term effects of the pandemic continue to be felt. The Company's performance was largely unaffected during the financial year under review; however we saw a change in sentiment away from the technology sector and some market volatility/disruption at the end of our financial year. Further details of the impact on the Company's portfolio can be found in the Investment Manger's Report on pages 16 to 32. The Committee continues to monitor the impact of COVID-19 on the Company (which is captured in our Risk Map as a black swan event) with its effect also appearing in our assessment of global geopolitical risk and the ability to achieve the Company's investment objective.

The Committee has once again reviewed the operational resilience of its various service providers in connection with the mitigation of the business risks posed by COVID-19. The external service providers have continuously demonstrated their ability to provide services to the expected level, whilst doing so remotely with no breaks in services provided or operational failures. The Committee was assured by the level of detail and transparency offered by the service providers in reporting how they had committed resources in adapting their businesses to operate remotely for a longer period than many business continuity plans expect to be in operation for. We were further assured by the confirmation of no business failures being experienced. We also considered the guidance issued by the FRC when reviewing the stress testing required in considering the Company's ability to continue as a going concern and making a statement in regard to the Company's ongoing viability.

Audit Regulation

Since my last report to you, the Committee has not this year had to consider any new regulations. It does, however, regularly review guidance and determine how to apply any relevant best practice to the Company. The Committee also reviews the outcomes of the FRC's annual Audit Quality Reviews and discusses the findings with our Auditor.

The Committee is aware of the extensive proposals outlined by the Department of Business, Enterprise, Industry and Skills consultation ("BEIS") following the three independent reviews by Sir John Kingman, Sir Donald Brydon and the Competition and Markets Authority which seek to strengthen the UK's audit and corporate governance

Audit Committee Report continued

framework. The Audit Committee has considered the proposed recommendations outlined as part of the consultation, which is yet to be finalised, and how they could impact the Company should they be implemented. The Committee will review this further once the outcomes of the consultation are published and ahead of the introduction of any primary legislation arising from the proposed reforms.

Significant Reporting Matters

Annual Report and Financial Statements (the 'Annual Report')

The Board has asked the Committee to once again confirm that in its opinion the Annual Report as a whole can be taken as fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's financial position, performance, business model and strategy. In doing so the Committee has given consideration to:

- the ongoing comprehensive control framework around the production of the Annual Report, including the verification processes in place to deal with the factual content;
- the extensive levels of review that are undertaken in the production process, by the Investment Manager and the Committee;
- the internal control environment as operated by the Investment Manager and other suppliers including any checks and balances within those systems; and
- the unqualified audit report from the auditors confirming their work based on substantive testing of the financial statements.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30 April 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy, and this has been recommended to the Board.

Valuation of Investments

During the year the Committee once again reviewed the robustness of the Investment Manager's processes in place for recording investment transactions as well as ensuring the valuation of assets is carried out in accordance with the adopted accounting policies and as laid out in Note 2 (f). No unquoted valuations were held at the Company's year end.

Existence and Ownership of Investments

During the year the Committee received reassuring quarterly reports from the Depositary on its work and safe keeping of the Company's investments, in accordance with the AIFM Regulations. No errors have been reported during the year.

Other Reporting Matters

Accounting Policies

During the year the Committee ensured that the accounting policies as set out on pages 106 to 111 were applied consistently throughout the year. In light of there being no unusual transactions during the year or other possible reasons, there were no changes to currently adopted policies.

There were no new IFRSs or amendments to IFRSs applicable to the current year which had any significant impact on the Company's Financial Statements.

The Committee also noted the FRC's latest Letter on Accounting & Corporate Reporting for the end of the Brexit transition period. From the financial year ending 30 April 2022 the Company will be required to prepare financial statements using UK-adopted IFRSs.

The Government is in the process of establishing the UK Endorsement Board (UK EB) to undertake the work of assessing, endorsing, and adopting any new or amended IASs published.

European Single Electronic Format (ESEF)

The Committee has noted ESEF Regulations which will now come into force for accounting years starting on or after 1 January 2021. The ESEF regulations will require the Company, and all issuers of consolidated accounts prepared in accordance with IFRS and trading on a regulated market, to publish their annual financial statements in a common electronic format. The regulations will first apply to the Company for the accounting year ending 30 April 2022.

Going Concern

The Audit Committee, at the request of the Board, considered the ability of the Company to adopt the Going Concern basis for the preparation of the Financial Statements. Having reviewed the Company's financial position, the Committee is satisfied that it is appropriate for the Board to prepare the Financial Statements for the year ended 30 April 2021 on a going concern basis.

The Committee's review of the Company's financial position included consideration of the current, cash and debt ratios of the Company; the ability to repay outstanding bank facilities with approximately 24% of the cash and cash equivalents readily available to the Company as at 30 April 2021; the diversification of the portfolio; and the analysis of portfolio liquidity, which estimated liquidation of 99.8% of the portfolio within seven trading days.

The Committee is mindful of the uncertainty surrounding the potential duration of the COVID-19 pandemic and the impact this might have on the market and global economy. The Committee considered the Company's financial performance during the year under review and concluded that: given the outperformance of the Company's share price and net asset value since the last financial year ended 30 April 2020 ; the lack of an impact on dividend income received; the effect of interest rate cuts on income received; and there being no exposure to unquoted assets at the year-end; the COVID-19 pandemic had not affected the Company's ability to continue as a going concern and is not expected to have a significant financial impact on the Company during the next 12 months.

Viability Statement

The Committee considered the Company's longer-term viability, with reference to the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, and concluded that the Board may state its reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

The assessment took account of the Company's current financial position, its cash flows and its liquidity position, the principal risks as set out on pages 51 and 57 and the Committee's assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern.

The assessment was then subject to a sensitivity analysis projected over a five-year period, which tested a number of the key assumptions including income and expenditure underlying the forecasts both individually and in aggregate for normal, favourable and stressed conditions such as widening discount levels, falls in net asset value, breach of regulation or covenants and adverse fluctuations in exchange rates, and considered whether financing facilities would be renewed. The Committee recommended to the Board that the Company's longer term prospects to continue its operations and meet its expenses and liabilities as they fall due over the next five years to 30 April 2026 were reasonable. See pages 59 to 61 for further details.

Stress Testing

As stated in the Statement of Going Concern and description of Principal Risks and Uncertainties in the Strategic Report, stress testing was undertaken in determining the Company's Longer-Term Viability and the appropriateness of preparing the Financial Statements on a going concern basis. In conducting the stress tests, the Company's principal risks such as failure to achieve investment objective, IT Failure and Cyber Risk, Black Swan Event and Global geo-political risk were grouped into three buckets according to their post mitigation scores and, where possible, material values were attached to the key risks materialising and evaluated to assess the effect of this on the Company's ability to continue as a going concern and its viability over a five-year period. The stress tests also used a variety of falling parameters to demonstrate the impact to the Company's share price and NAV in comparison. COVID-19 was also factored into the key assumptions made by assessing its continued impact on the Company's key risks and whether the key risks had increased in their potential to affect the normal, favourable and stressed market conditions. The results of the testing demonstrated the impact on the NAV and reaffirmed the Company's ability to be able to meet its liabilities as they fall due and over the same five-year period.

Taxation and Expenses

The Committee sought to ensure that the Company was compliant with section 1158 of the Corporation Tax Act 2010 throughout the year, by seeking and receiving confirmation that the Company continues to meet the eligibility conditions. In the year under review, Grant Thornton LLP provided services to the Company as tax agents in Taiwan and Arrk Solutions for the iXBRL tagging of the Company's accounts for submission to HM Revenue and Customs.

At the Audit Committee meeting in May, the Committee also considered the allocation of expenses between capital

Audit Committee Report continued

and income and agreed to continue with the Company's stated accounting policy of allocating the indirect costs to revenue and performance fees to capital, in line with market practice and permitted by the AIC SORP (Statement of Recommended Practice).

Interim Report and Financial Statements

The Committee considered and reviewed the Interim Report and Financial Statements, which are not audited or reviewed by the external Auditors, to ensure that they reflected the accounting policies used in the annual Financial Statements.

Internal Controls and Risk Management

The Board has ultimate responsibility for the management of risk throughout the Company and has asked the Audit Committee to assist in maintaining an effective internal control environment.

The Company maintains a Risk Map which seeks to identify, monitor and control principal risks as well as identifying emerging risks. The Committee has continued to review the Risk Map to identify the principal and emerging risks facing the business including those that might threaten its business model, future performance, liquidity and reputation. Alongside this, the Committee considered the likelihood, impact, mitigating factors and controls to reduce the impact of such risks as described on pages 51 and 57. This process was carried out throughout the year and is the means by which the Risk Map is monitored and kept relevant by reflecting any changes to the source and level of risks facing the Company.

The Audit Committee has met to discuss and assess emerging risks and where appropriate recommends changes to the Risk Map, as well thinking of different ways of illustrating the level of risk faced by the business through the use of heat maps, for example. The Committee will actively continue to monitor the system of internal controls through the regular review of the Risk Map and the internal control environment in order to provide assurance that they operate as intended and that the Risk Map reflects developing and new risks.

As part of the year end process the Audit Committee undertook a review of the effectiveness of the system of internal controls taking into account any issues that had arisen during the course of the year. The Committee acknowledges that the Company is reliant on the systems utilised by external suppliers. Representatives of the Investment Manager reported to the Committee on the system of internal controls in place for the performance of the Investment Manager's duties under the Investment Management Agreement. Presentations and internal control reports were also received from other key suppliers on the quality and effectiveness of the services provided to the Company. In addition, employees of the Manager conducted a virtual due diligence site visit with HSBC where they received thorough presentations from representatives covering the work of the Operations, Risk Administration and Accounting Teams, in addition to the Custodian and Depositary. No matters of concern with any areas of service were raised at any of the meetings or on reviewing the internal controls reports. Deep dive review meetings, which the Committee completed during the prior financial year, will continue to be undertaken periodically.

The Audit Committee has reviewed the Investment Manager's policies on whistleblowing, anti-bribery and the Modern Slavery Act and is satisfied that the Investment Manager has controls and monitoring processes to implement their policies across the main contractors which supply goods and services to the Investment Manager and the Company. The Company has adopted an Anti-Corruption policy which incorporates Anti-Bribery, Anti-Slavery and the Corporate Criminal Offence of Tax Evasion. In addition to this the Company has issued a data privacy notice in relation to the General Data Protection Regulation. All such policies can be found on the Company's website www.polarcapitaltechnologytrust.co.uk.

The Audit Committee has also considered the Investment Manager's policy and controls surrounding the use of brokerage commissions generated from transactions in the Company's portfolio. There were no issues of concern arising from the reviews of the internal controls environment the Company relied upon during the course of the year ended 30 April 2021.

External Auditor

The Committee, on behalf of the Board, is responsible for overseeing the relationship with the external auditor, including ensuring the quality and robustness of the audit.

Appointment and Tenure

Following a formal and competitive tender process, KPMG LLP ('KPMG') was appointed as the Company's external auditor with their first year as the Company's auditor being the year ended 30 April 2018. Mr John Waterson is the Audit Partner allocated to the Company by KPMG and has acted as audit partner for each of the last four years. It is anticipated that Mr Waterson will serve as Audit Partner until completion of his fifth year being the year ending in April 2022. There is an ongoing discussion between the Committee and Mr Waterson to ensure that an orderly succession plan is in place at the point of audit partner rotation to ensure a smooth transition. In accordance with current legislation, the Company is required to tender the external audit no later than for the year ending 30 April 2028. The external auditor is invited to all Committee meetings and receives copies of all relevant papers and meeting minutes. The re-appointment of KPMG as Auditor to the Company will be submitted for Shareholder approval at the AGM to be held in September 2021, together with a separate Resolution to authorise the Directors to set the remuneration of the Auditor.

The Company has complied throughout the year ended 30 April 2021 with the provisions of the Statutory Audit Services Order 2014, issued by the Competition and Markets Authority ('CMA Order'). There are no contractual obligations restricting the choice of external auditor.

The Audit

The scope of the annual external audit was agreed in advance with the Committee with a focus on areas of audit risk and the appropriate level of audit materiality. The outbreak of COVID-19 has led to an increased level of scrutiny of the Company's going concern and longer-term viability testing by the Auditors. The Auditors challenged the assumptions that had been used to determine the various levels of stress testing, reviewed the Committee's analysis of provision of services from third- party providers and monitored for potential events that could necessitate a post balance sheet statement. The Auditors reported to the Audit Committee on the results of the audit work and highlighted any issue which the audit work had discovered, or the Committee had previously identified as significant or material in the context of the Financial Statements. There were no adverse matters brought to the Audit Committee's attention in respect of the 2021 audit, which were material or significant or which should be brought to Shareholders' attention.

Effectiveness

The Audit Committee monitored and evaluated the effectiveness of the Auditors under the terms of their appointment based on an assessment of their performance, qualification, knowledge, expertise and resources. The Auditors' effectiveness was also considered along with other factors such as audit planning and interpretations of accounting standards. This evaluation has been carried out throughout the year by meetings held with the Auditors, by review of the audit process and by comments from the Investment Manager and others involved in the audit process.

The Auditors were provided with an opportunity to address the Committee and independently, the Audit Chair, without the Investment Manager present to raise any concerns or discuss any matters relating to the audit work and the cooperation of the Investment Manager and others in providing any information and the quality of that information including the timeliness in responding to audit requests. No concerns were raised by the Auditors or the Audit Committee in relation to the service provided by the Investment Manager or any other third-party service provider.

Independence

In order to fulfil the Committee's responsibility regarding the independence of the Auditor, the Committee reviewed the senior staffing for the audit, the Auditor's arrangements concerning any conflicts of interest, the extent of any non-audit services, the Auditor's independence statement and any other issues that may affect the Auditor's independence. Subsequent to the review the Audit Committee concluded that the Auditor remained independent and continued to act in an independent manner.

Fees

As part of the year end audit, the Committee considered and re-confirmed the level of fees pre-agreed and payable to the Auditor bearing in mind the nature of the audit and the quality of services received. The annual audit fee for the year was £40,000 (2020: £35,000) plus an overrun fee of £3,500 for the financial year 2020 audit which was recognised in the financial year 2021. The fee represents a further increase on the prior year to reflect the level of audit work required to perform a robust quality audit and increased resource is being committed by audit firms, particularly in terms of partner level involvement. The

Audit Committee Report continued

Committee noted that the fee had increased significantly over a two-year period, however prior to that fee increases had been marginal. The increases of the last two years are reflective of the wider market recognising the increase in regulatory scrutiny faced by auditors and therefore the Committee deemed the level of fees appropriate and recommended such to the Board.

Non-Audit Services

The Audit Committee's policy on the provision of non-audit services by the Auditor is available on the Company's website. The policy is produced in line with the FRC Ethical Standards (updated in March 2020) and any non-audit services are required to be pre-approved by the Audit Committee. KPMG LLP were appointed to undertake their first annual audit for the year ended 30 April 2018 and have not provided any non-audit services to the Company in the year under review, or in the previous year.

Effectiveness of The Committee

The services provided to the Board by the Committee are reviewed within the Annual Board Evaluation, including consideration of actions undertaken by the Committee with the Investment Manager and Auditor to ensure an appropriate audit process is undertaken. This year, an internal evaluation was completed and I am pleased to confirm that the evaluation result was positive and no matters of concern or requirements for change were highlighted. The Committee continually seeks to improve its effectiveness where possible and follow best practice guidance from the FRC and other bodies which provide it.

Charlotta Ginman, FCA
Chair of the Audit Committee

20 July 2021

Directors' Remuneration Report

Tim Cruttenden
Independent Non-executive Director

Introduction

This report is submitted in accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013 (the 'Regulations'), The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Listing Rules of the Financial Conduct Authority in respect of the year ended 30 April 2021. It has been audited where indicated as such.

Chairman's Report

I was appointed as Chairman of the Committee on 8 July 2020 as successor to Peter Hames who retired from the Board following the completion of his 9 years of service. The Committee comprises all the independent Non-executive Directors and has written terms of reference, which are available to view on the Company's website, www.polarcapitaltechnologytrust.co.uk. The terms of reference clearly define the Committee's responsibilities and duties and have been updated to incorporate the changes introduced by the 2019 AIC Code of Corporate Governance.

The Committee meets at least annually and is responsible for recommending the framework for the remuneration of Directors, including the ongoing appropriateness of the Remuneration Policy and the individual remuneration of Directors based on their contributions. The Committee aims to pay fees relative to other companies in the sector commensurate with the responsibilities and time commitments of the Board.

On at least an annual basis and within the current year, we considered the time and commitment required of the Directors and of the Chair of the Board. We considered comparative fees, inflation and the need to attract and retain capable people to the role, as well as the requirements to avoid conflicts and time constraints.

Remuneration Policy

Shareholders approved the current Directors' Remuneration Policy by way of an ordinary resolution passed at the AGM in September 2020. Such Policy came into effect on 1 May 2021 and shall remain in force until 30 April 2024.

Company's Policy on Directors' Remuneration effective until 30 April 2024

How policy supports strategy and promotes long term sustainable success	Operation	Opportunity
The Board consists entirely of independent Non-executive Directors, who meet regularly to deal with the Company's affairs. The intention is that fees payable reflect the time spent by them individually and collectively, be of a level appropriate to their responsibilities and be in line with market practice, sufficient to enable candidates of high calibre to be recruited and retained.	Non-executive Directors have formal letters of appointment and their remuneration is determined by the Board within the limits set by the Articles of Association. Fees are reviewed annually but the review will not necessarily result in any change to rates. No Director is involved in deciding their own remuneration level. Non-executive Directors are appointed initially for a three-year term, subject to annual re-election by Shareholders in accordance with the AIC Code. All fees are paid by credit transfer monthly in arrears, to the Director concerned or to a nominated third party.	The Company's policy in relation to fees is to offer only a fixed basic fee in line with equivalent roles within the sector with additional fees for the roles of Chair of the Company, Chair of the Audit Committee and SID. In accordance with the Company's Articles of Association, any Director who performs, or undertakes to perform, services which the Directors consider go far beyond the ordinary duties of a Director, may be paid such additional remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the Directors may determine. In such instances, when the Remuneration Committee believes that there have been exceptional circumstances and a Director's services have been substantially beyond what is typically expected, the Remuneration Committee will authorise a payment to a Director and provide details of the events, duties and responsibilities that gave rise to such within the Remuneration Implementation Report.
As the Company is an investment trust and all Directors are Non-executive, it is considered inappropriate to have any long-term incentive schemes or benefits.	Non-executive Directors do not receive any bonus, nor do they participate in any long-term incentive schemes or pension schemes.	There are no performance conditions relating to Non-executive Directors fees.

Directors' Remuneration Report continued

The Company's Policy on Directors' Remuneration in force for the year ended 30 April 2021 and the prior two years was as follows:

How policy supports strategy	Operation	Opportunity
The Board consists entirely of Non-executive Directors, who meet regularly to deal with the Company's affairs. The intention is that fees payable reflect the time spent by them individually and collectively, be of a level appropriate to their responsibilities and be in line with market practice, sufficient to enable candidates of high calibre to be recruited and retained.	Non-executive Directors have formal letters of appointment and their remuneration is determined by the Board within the limits set by the Articles of Association. Rates are reviewed annually but the review will not necessarily result in any change to rates. Non-executive Directors are appointed initially for a three-year term, subject to re-election by Shareholders. All fees are paid in cash, monthly in arrears, to the Director concerned or to a nominated third party.	The Company's policy in relation to fees is to offer only a fixed basic fee in line with equivalent roles within the sector with additional fees for the roles of Chair of the Company and Chair of the Audit Committee and Senior Independent Director (SID).
As the Company is an investment trust and all the Directors are Non-executive, it is considered inappropriate to have any long-term incentive schemes or benefits.	Non-executive Directors do not receive any bonus, nor do they participate in any long-term incentive schemes or pension schemes.	There are no Performance conditions relating to Non-executive Directors fees.

As per previous AGM resolutions shareholders will be asked to consider a non-binding vote for the approval of the Directors' Remuneration Implementation Report which reports on how the current policy has operated during the year to 30 April 2021.

The results of the Shareholder vote on the Directors' Implementation Report and on Directors' Policy Report submitted to the 2020 Annual General Meeting were as follows:

	Implementation Report for the Year ended 30 April 2020	Remuneration Policy for the three years ending on 30 April 2024
Votes for	99.92% of votes cast	99.94% of votes cast
Votes against	0.08% of votes cast	0.06% of votes cast
Votes withheld	1,380,869	1,379,929

2020/21 Fees Paid

In the year under review the Directors' fees were paid at the following annual rates, the Chair £46,500; other Directors £30,000 with the Chair of the Audit Committee receiving an extra £6,000 and the Senior Independent Director receiving an extra £4,000 for performing such additional roles.

Fee Review

The Committee carries out an annual review of fees paid to the Directors. While such a review will not necessarily result in any change to the rates the Committee believes that it is important that these reviews happen annually. The Committee, when considering fees favours modest annual increases rather than larger increases awarded at longer intervals.

In May 2021, the Committee carried out a review of Directors' remuneration which included a selection of peer comparisons and external reports including the Nurole Compensation Report and the Trust Associates 2020 Fee Review. Consideration was also given to the increased level of input and responsibility the members of the Board have in relation to enhanced regulations and requirements and the anticipated NED recruitment. As a result, the Committee decided to implement the following increases with effect from 1 May 2021:

Chair

The annual fee for the Chair has been increased from to £46,500 to £50,000 pa. This is an increase of 7.5%.

Senior Independent Director

The supplement for the Senior Independent Director has been increased from £4,000 to £4,200, an increase of 5%.

In light of anticipated recruitment and future succession plans, the Committee recommended to the Board a change to the aggregate level within the Articles from £250,000 to £300,000. In accordance with the Articles, Shareholder approval will be sought at the Company's AGM by way of Ordinary resolution to approve the increase in the aggregate annual sum available for payment as director's fees.

The Board remains committed to ongoing Shareholder dialogue and any views expressed by Shareholders on the fees being paid to Directors would be taken into consideration by the Remuneration Committee in the annual review of Directors' fees. No such views have been received from Shareholders.

The Directors did not participate in discussions on the fees applicable to their own roles.

Directors

The annual fee for a Non-executive Director has been increased from £30,000 to £31,500 pa, representing a 5% increase. Directors' fees for the year ending 30 April 2022, in respect of the current board members, are expected to total £187,200 in aggregate. The maximum aggregate amount provided for in the Company's Articles of Association (the Articles), Article 99, is £250,000.

Chair Of Audit Committee

The supplement for the Chair of the Audit Committee has been increased from £6,000 to £7,000, an increase of 16.6%. The Committee agreed that such an increase was justified in order to reflect the additional time required in connection with audit regulation and overall responsibility of the Chair of the Audit Committee.

Other Fees And Incentives

As the Company is an investment trust it has no executive Directors or employees and as all the Directors are Non-executive, it is considered inappropriate to have any long term incentive schemes and the fees are not specifically related to the Directors' performance, either individually or collectively.

The Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings. In certain circumstances, under HMRC rules, travel and other out of pocket expenses reimbursed to the Directors may be considered as taxable benefits. Where expenses are classified as taxable under HMRC guidance, they are paid gross and shown in the taxable column of the Directors' remuneration table.

There were no taxable expenses paid to the Directors in the year under review, taxable expenses in the prior year related to travel associated with attending London based Board meetings. The policy for claiming expenses was not changed during the year.

Directors' Remuneration Report continued

Service Contracts

In accordance with recommended practice, the Directors do not have service agreements but instead each Director has received a letter setting out the terms of their appointment under which they provide their services to the Company. During the year, the Directors' letters of appointment were reviewed and updated to ensure they reflect current regulation and best practice. There were no changes to the primary terms of appointment. A sample equivalent to the Directors' Letter of Appointment is available on the Company's website.

A Director may resign by giving one month's notice in writing to the Board at any time. The Directors are not entitled to payment for loss of office.

In accordance with the Articles any new Director is required to stand for election at the first AGM following their appointment, and in accordance with good corporate governance practice all Directors stand for re-election every year following their first election by shareholders.

Directors' And Officers' Liability Insurance/ Indemnity

Directors' and officers' liability insurance is held by the Company in respect of the Directors. The Company has, to the extent permitted by law and the Company's Articles, provided each Director with a Deed of Indemnity which, subject to the provisions of the Articles and s234 of the Companies Act 2006 'qualifying third party indemnity provisions', indemnifies the Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their position as Directors (excluding criminal and regulatory penalties).

Directors' legal costs may be funded up-front provided they reimburse the Company if the individual is convicted or, in an action brought by the Company, judgement is given against him. These provisions were in force during the year and remain in force.

Remuneration Implementation Report –

Remuneration Paid In The Year Ended 30 April 2021 (Audited)

The fees payable in respect of each of the Directors were as follows:

	Year ended 30 April 2021			Year ended 30 April 2020		
	Fixed fee	Taxable expenses	Total Remuneration	Fixed fee	Taxable expenses (Note 1)	Total Remuneration
Sarah Bates (Chair)	£46,500	–	£46,500	£44,300	–	£44,300
Charlotta Ginman (Chair of the Audit Committee)	£36,000	–	£36,000	£33,400	–	£33,400
Tim Cruttenden (appointed as Senior Independent Director – 8 July 2020)	£33,431	–	£33,431	£28,400	–	£28,400
Charles Park	£30,000	–	£30,000	£28,400	–	£28,400
Stephen White	£30,000	–	£30,000	£28,400	–	£28,400
Peter Hames (retired as Senior Independent Director and from the Board on 8 July 2020)	£6,451	–	£6,451	£32,100	£1,337	£33,437
TOTAL	£182,382	–	£182,382	£195,000	£1,337	£196,337

Note 1: Taxable travel and subsistence expenses incurred in attending Board and Committee meetings. The amount disclosed above is the gross pre-tax amount.

No pension contributions or other remuneration or compensation was paid or payable by the Company during the year to any of the Directors. Consequently, the figures shown above comprise the single total remuneration figure for each Director.

The table below contains the annual percentage change in remuneration over the five financial years prior to the current year in respect of each Director:

Fee Rates	Year to 30 April 2017 (percentage change from 2016)	Year to 30 April 2018	Year to 30 April 2019	Year to 30 April 2020	Year to 30 April 2021
Chair	£40,000	£41,500	£43,000	£44,300	£46,500
	+1.26%	+3.8%	+3.6%	+3.0%	+5.0%
Directors' fees	£25,750	£26,800	£27,600	£28,400	£30,000
	+0.98%	+4.1%	+3.0%	+2.9%	+5.6%
Additional fees:					
Chair of the Audit Committee	£3,000	£3,500	£3,600	£5,000	£6,000
	No change	+16.7%	+2.9%	+38.9%	+20%
Senior Independent Director	£3,000	£3,500	£3,600	£3,700	£4,000
	No change	+16.7%	+2.9%	+2.8%	+8.1%

Directors' Share Interests (Audited)

Neither the Company's Articles nor the Directors' letters of appointment require Directors to hold shares in the Company. The interests in the ordinary shares of the Company of the Directors in office at 30 April 2020 and 30 April 2021 are as follows:

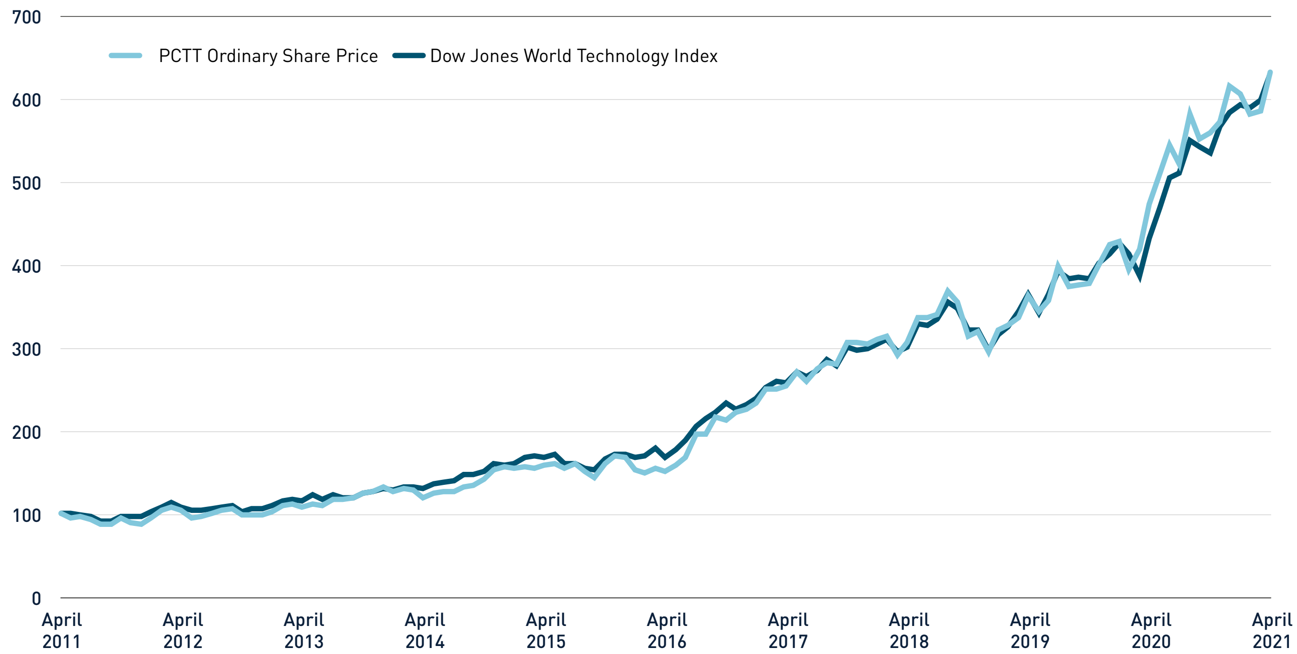
Ordinary Shares	30 April 2021	30 April 2020
Sarah Bates (Chair)	10,500	10,500
Tim Cruttenden	1,000	1,000
Charlotta Ginman	4,941	4,941
Charles Park	1,840	1,840
Stephen White	10,000	10,000
Peter Hames*	-	3,000

* Retired 8 July 2020.

Directors' Remuneration Report continued

Performance

The Large and Medium-sized Companies and Groups (Accounts and Reports) (amendment) Regulations 2013, (Schedule 8, Part 3 (18, 4(c))) require a line graph to be included in the Directors' Remuneration Report showing the total Shareholder return for each of the financial years in the relevant period, being the five financial years with the last being the period under review. Each subsequent annual graph is required to increase by one year until the maximum relevant period of ten years is reached; thereafter the relevant period will continue to be ten years. The Dow Jones World Technology Index is shown because, as a market capitalisation weighted index based on the entire global technology sector, it is the most relevant benchmark.



Relative Importance Of Spend On Pay

Under the Regulations (Schedule 8, Part 3 (20)) the Directors' Remuneration Report must set out in a graphical or tabular form in respect of the relevant financial year and the immediately preceding financial year the actual expenditure of the Company, and the difference in spend between those years, on remuneration paid to or receivable by all employees of the group; and distributions to Shareholders by way of dividend and share buyback; and any other significant distributions and payments or other uses of profit or cash-flow deemed by the Directors to assist in understanding the relative importance of spend on pay.

The Directors, however, do not consider that the comparison of Non-executive Directors' remuneration with the distributions of the Company is a meaningful measure of the Company's overall performance. There were no dividends paid to Shareholders or other distributions which made use of the Company's profit or cash flow deemed to assist in the understanding of the relative importance of spend on pay, in line with the Company's objective of capital growth.

Approved by the Board on 20 July 2021

Tim Cruttenden
Chairman of the Remuneration Committee and Senior Independent Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Report and Financial Statements

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Sarah Bates
Chair

20 July 2021

Independent Auditor's Report

to the members of Polar Capital Technology Trust plc

1. Our opinion is unmodified

We have audited the financial statements of Polar Capital Technology Trust plc ("the Company") for the year ended 30 April 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and the related notes, including the accounting policies in Note 2.

In our opinion the financial statements:

– give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of its return for the year then ended;
– have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
– have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors on 7 September 2017. The period of total uninterrupted engagement is for the four financial years ended 30 April 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: Financial statements as a whole	£34.9m (2020:£24.1m)	
	1% (2020: 1%) of Total Assets	

Key audit matters		**vs 2020**
Recurring risks	Carrying amount of quoted investments	◀▶

2. Key audit matters: including our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matter (unchanged from 2020), in arriving at our audit opinion above, together with our key audit procedures to address that matter and our findings from those procedures in order that the Company's members as a body may better understand the process by which we arrived at our audit opinion. This matter was addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
Carrying amount of quoted investments (£3,243m; 2020: £2,218m) Refer to page 81 (Audit Committee Report), page 108 (accounting policy) and note 13 on page 115 (financial disclosures).	**Low risk, high value:** The Company's portfolio of quoted investments makes up 93% (2020: 92%) of the Company's total assets (by value) and is one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence. Our procedures included: – **Test of detail:** Agreeing the valuation of 100% of quoted investments in the portfolio to externally quoted prices; and – **Enquiry of custodians:** Agreeing 100% of quoted investment holdings in the portfolio to independently received third party confirmations from the depositary **Our results** We found no differences (2020: no differences) from the holdings confirmations nor from the externally quoted prices of a size to require reporting to the audit committee.

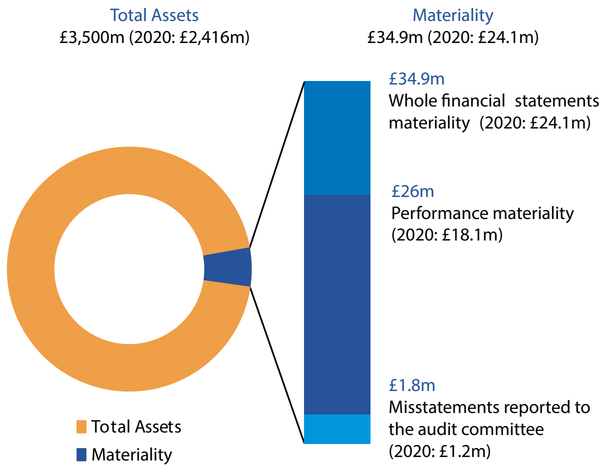
3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £34.9m (2020: £24.1m), determined with reference to a benchmark of total assets, of which it represents 1% (2020: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £26m (2020: £18.1m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1.8m (2020: £1.2m) in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.



4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and its ability to operate over this period were:

– The impact of a significant reduction in the valuation of investments and the implications for the Company's debt covenants;

– The liquidity of the investment portfolio and its ability to meet the liabilities of the Company as and when they fall due; and

– The operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Company's current and projected cash and liquid investment position (and the results of their reverse stress testing).

We considered whether the going concern disclosure in note 2(a) to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

– We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

– We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;

Independent Auditor's Report continued

- We have nothing material to add or draw attention to in relation to the Directors' statement in note 2(a) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2(a) to be acceptable; and
- The related statement under the Listing Rules set out on page 61 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and
- Reading Board and Audit Committee meeting minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and its qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

– we have not identified material misstatements in the strategic report and the Directors' report;

– in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

– in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

– the Directors' confirmation within the Principal Risks and Uncertainties disclosure on page 51 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;

– the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

– the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on pages 59 to 61 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Independent Auditor's Report continued

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.
- We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 93, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the company. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the company , and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

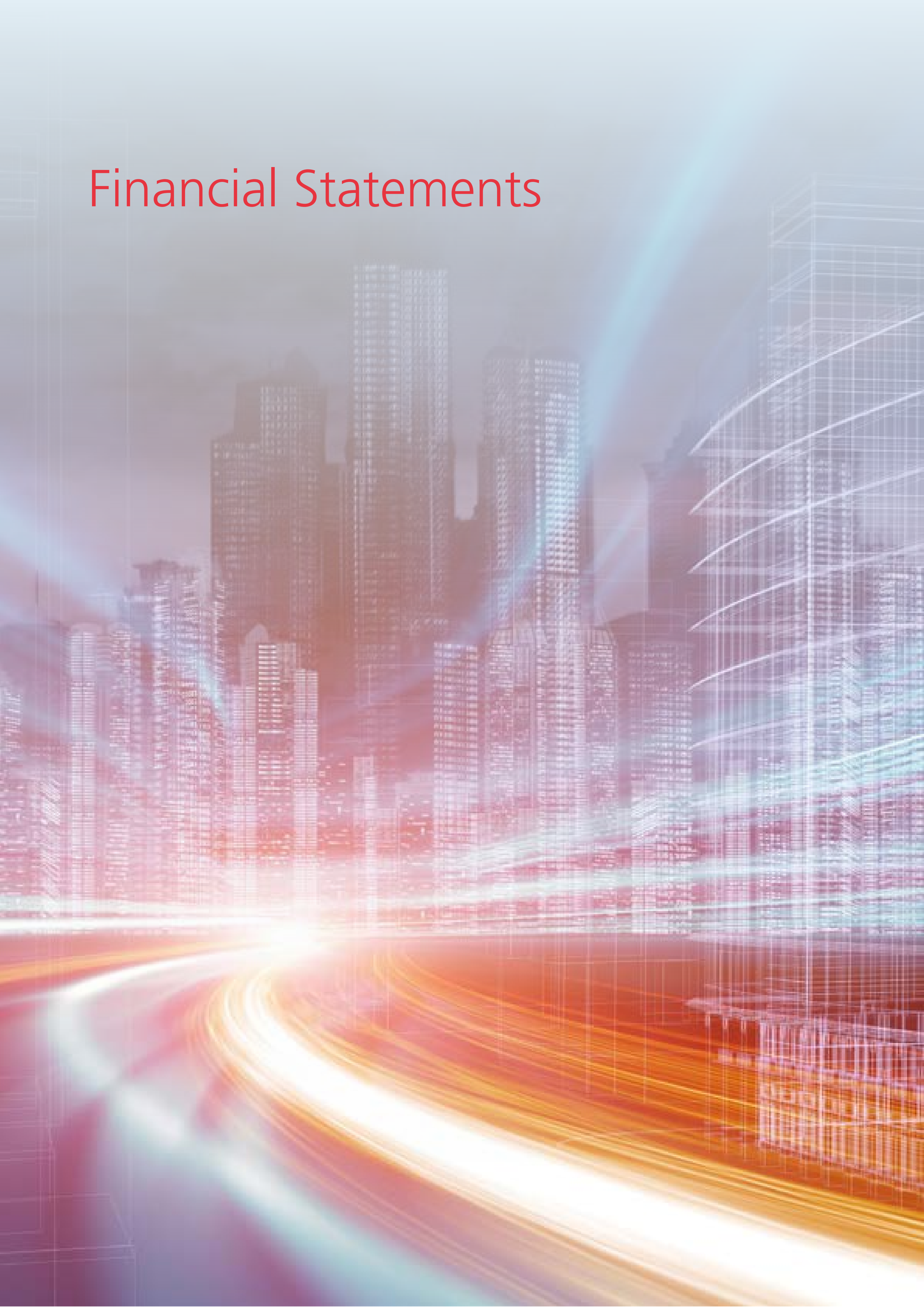
John Waterson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

20 July 2021

Financial Statements



Statement of Comprehensive Income

For the year ended 30 April 2021

		Year ended 30 April 2021			Year ended 30 April 2020		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	3	18,156	-	18,156	15,761	-	15,761
Other operating income	4	8	-	8	1,125	-	1,125
Gains on investments held at fair value	5	-	1,127,646	1,127,646	-	348,118	348,118
(Losses)/gains on derivatives	6	-	(49,111)	(49,111)	-	13,214	13,214
Other currency (losses)/gains	7	-	(4,379)	(4,379)	-	5,251	5,251
Total income		18,164	1,074,156	1,092,320	16,886	366,583	383,469
Expenses							
Investment management fee	8	(24,134)	-	(24,134)	(18,273)	-	(18,273)
Performance fee	8	-	-	-	-	(1,050)	(1,050)
Other administrative expenses	9	(1,071)	-	(1,071)	(951)	-	(951)
Total expenses		(25,205)	-	(25,205)	(19,224)	(1,050)	(20,274)
(Loss)/profit before finance costs and tax		(7,041)	1,074,156	1,067,115	(2,338)	365,533	363,195
Finance costs	10	(996)	-	(996)	(1,260)	-	(1,260)
(Loss)/profit before tax		(8,037)	1,074,156	1,066,119	(3,598)	365,533	361,935
Tax	11	(2,432)	-	(2,432)	(1,833)	-	(1,833)
Net (loss)/profit for the year and total comprehensive (expense)/income		(10,469)	1,074,156	1,063,687	(5,431)	365,533	360,102
(Losses)/earnings per share (basic and diluted) (pence)	12	(7.65)	784.40	776.75	(4.06)	273.12	269.06

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

The Company does not have any other comprehensive income.

The notes on pages 106 to 129 form part of these Financial Statements.

Statement of Change in Equity

For the year ended 30 April 2021

	Notes	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special non-distrib-utable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 30 April 2019		33,456	12,802	157,868	7,536	1,818,195	(94,211)	1,935,646
Total comprehensive income/(expense):								
Profit/(loss) for the year to 30 April 2020		-	-	-	-	365,533	(5,431)	360,102
Transactions with owners, recorded directly to equity:								
Issue of ordinary shares	18, 20	185	-	12,664	-	-	-	12,849
Total equity at 30 April 2020		33,641	12,802	170,532	7,536	2,183,728	(99,642)	2,308,597
Total comprehensive income/(expense):								
Profit/(loss) for the year to 30 April 2021		-	-	-	-	1,074,156	(10,469)	1,063,687
Transactions with owners, recorded directly to equity:								
Issue of ordinary shares	18, 20	688	-	52,842	-	-	-	53,530
Ordinary shares repurchased into treasury	22	-	-	-	-	(17,051)	-	(17,051)
Total equity at 30 April 2021		34,329	12,802	223,374	7,536	3,240,833	(110,111)	3,408,763

The Notes on pages 106 to 129 form part of these Financial Statements.

Balance Sheet

As at 30 April 2021

	Notes	30 April 2021 £'000	30 April 2020 £'000
Non-current assets			
Investments held at fair value through profit or loss	13	3,243,034	2,218,307
Current assets			
Receivables	14	36,096	47,186
Overseas tax recoverable		162	94
Cash and cash equivalents	15	216,205	146,677
Derivative financial instruments	13	4,090	3,391
		256,553	197,348
Total assets		3,499,587	2,415,655
Current liabilities			
Payables	16	(36,241)	(50,034)
Bank loans	17	-	(57,024)
Bank overdraft	15	(3,473)	-
		(39,714)	(107,058)
Non-current liabilities			
Bank loans	17	(51,110)	-
Net assets		3,408,763	2,308,597
Equity attributable to equity shareholders			
Share capital	18	34,329	33,641
Capital redemption reserve	19	12,802	12,802
Share premium	20	223,374	170,532
Special non-distributable reserve	21	7,536	7,536
Capital reserves	22	3,240,833	2,183,728
Revenue reserve	23	(110,111)	(99,642)
Total equity		3,408,763	2,308,597
Net asset value per ordinary share (pence)	25	2496.44	1715.59

The Financial Statements, on pages 102 to 129, were approved and authorised for issue by the Board of Directors on 20 July 2021 and signed on its behalf by:

Sarah Bates
Chair

The notes on pages 106 to 129 form part of these Financial Statements

Registered number 3224867

Cash Flow Statement

For the year ended 30 April 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Profit before tax		1,066,119	361,935
Adjustments:			
Gains on investments held at fair value through profit or loss	5	(1,127,646)	(348,118)
Losses/(gains) on derivative financial instruments	6	49,111	(13,214)
Proceeds of disposal on investments		3,089,314	1,803,352
Purchases of investments		(2,998,482)	(1,862,499)
Proceeds on disposal of derivative financial instruments	13	8,735	66,075
Purchases of derivative financial instruments	13	(58,545)	(56,102)
Decrease/(increase) in receivables		116	(241)
Increase/(decrease) in payables		5,720	(9,444)
Overseas tax		(2,500)	(1,858)
Foreign exchange losses/(gains)	7	4,379	(5,251)
Net cash generated from/(used in) operating activities		36,321	(65,365)
Cash flows from financing activities			
Loans repaid	17	(10,300)	-
Loans drawn	17	9,870	-
Ordinary shares repurchased into treasury		(17,051)	-
Issue of ordinary shares		57,078	9,301
Net cash generated from financing activities		39,597	9,301
Net increase/(decrease) in cash and cash equivalents		75,918	(56,064)
Cash and cash equivalents at the beginning of the year		146,677	194,153
Effect of movement in foreign exchange rates on cash held	7	(9,863)	8,588
Cash and cash equivalents at the end of the year	15	212,732	146,677

Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:

	Notes	2021 £'000	2020 £'000
Cash at bank	15	162,479	109,715
BlackRock's Institutional Cash Series plc (US Treasury Fund), money market fund	15	50,253	36,962
Cash and cash equivalents at the end of the year	15	212,732	146,677

The notes on pages 106 to 129 form part of these Financial Statements

Notes to the Financial Statements

For the year ended 30 April 2021

1. General Information

Polar Capital Technology Trust plc is a public limited company registered in England and Wales whose shares are traded on the London Stock Exchange.

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report.

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements, including the applicable legal requirements, of the Companies Act 2006 which, post the Brexit transition period which ended on 31 December 2020, encompasses IFRS. See Director's Report on page 70 for further details.

The Company's presentational currency is Pounds Sterling. All figures are rounded to the nearest thousand pounds (£'000) except as otherwise stated.

2. Accounting Policies

The principal accounting policies, which have been applied consistently for all years presented are set out below:

(A) Basis of Preparation

The Financial Statements have been prepared on a going concern basis under the historical cost convention, as modified by the inclusion of investments and derivative financial instruments at fair value through profit or loss.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for investment trusts issued by the Association of Investment Companies (AIC) in April 2021 is consistent with the requirements of IFRS, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP.

The financial position of the Company as at 30 April 2021 is shown in the balance sheet on page 104. As at 30 April 2021 the Company's total assets exceeded its total liabilities by a multiple of over 38. The assets of the Company consist mainly of securities that are held in accordance with the Company's Investment Policy, as set out on page 45 and these securities are readily realisable. The Company has two, two-year fixed rate term loans with ING Bank N.V both of which fall due for repayment on 30 September 2022. The Directors have considered a detailed assessment of the Company's ability to meet its liabilities as they fall due. The assessment took account of the Company's current financial position, its cash flows and its liquidity position. In addition to the assessment the Company carried out stress testing, including assessment of the continuing risks arising from COVID-19, which used a variety of falling parameters to demonstrate the effects in the Company's share price and net asset value. In light of the results of these tests, the Company's cash balances, and the liquidity position, the Directors consider that the Company has adequate financial resources to enable it to continue in operational existence for at least 12 months. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company's Financial Statements.

(B) Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with the guidance set out by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. The results presented in the revenue return column is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 1158 of the Corporation Taxes Act 2010.

(C) Income

Dividends receivable from equity shares are taken to the revenue return column of the Statement of Comprehensive Income on an ex-dividend basis.

Special dividends are recognised on an ex-dividend basis and may be considered to be either revenue or capital items.

The facts and circumstances are considered on a case by case basis before a conclusion on appropriate allocation is reached.

Where the Company has received dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in the revenue return column of the Statement of Comprehensive Income. Any excess in value of shares received over the amount of the cash dividend foregone is recognised in the capital return column of the Statement of Comprehensive Income.

Unfranked income includes the taxes deducted at source.

Bank interest, money market fund interest and other income receivable are accounted for on an accruals basis and is recognised in the period in which it was earned.

Interest outstanding at the year end is calculated on a time apportioned basis using the market rates of interest.

(D) Expenses and Finance Costs

All expenses, including finance costs, are accounted for on an accruals basis.

All indirect expenses have been presented as revenue items per the non-allocation method except as follows:

– any performance fees payable are allocated wholly to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance.

– transaction costs incurred on the acquisition or disposal of investments are expensed either as part of the unrealised gain/loss on investments (for acquisition costs) or as a deduction from the proceeds of sale (for disposal costs).

Finance costs are calculated using the effective interest rate method and are accounted for on an accruals basis.

(E) Taxation

The tax expense represents the sum of the overseas withholding tax deducted from investment income, tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital return column.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval as such under section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the Financial Statements continued

(F) Investments Held at Fair Value Through Profit or loss

When a purchase or sale is made under contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date and are initially measured at fair value.

On initial recognition the Company has designated all of its investments as held at fair value through profit or loss as defined by IFRS.

All investments are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in unit trusts or OEICs are valued at the closing price, the bid price or the single price as appropriate, as released by the relevant investment manager.

Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by using various valuation techniques. These may include recent arms length market transactions, the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised. Where no reliable fair value can be estimated for such instruments, they are carried at cost, subject to any provision for impairment.

Changes in fair value of all investments held at fair value and realised gains and losses on disposal are recognised in the capital return column of the Statement of Comprehensive Income.

(G) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost. Receivables do not carry any interest and are short-term in nature and are accordingly stated at their nominal value (amortised cost) as reduced by appropriate allowances for estimated irrecoverable amounts.

(H) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term maturity of three months or less, highly liquid investments that are readily convertible to known amounts of cash.

The Company's investment in BlackRock's Institutional Cash Series plc – US Treasury Fund of £50,253,000 (2020: £36,962,000) is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

In the Balance Sheet bank overdrafts are shown within current liabilities.

(I) Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost. Payables are not interest-bearing and are stated at their nominal value (amortised cost).

(J) Bank Loans

Interest bearing bank loans are initially recognised at cost, being the proceeds received net of direct issue costs, and subsequently at amortised cost. The amounts falling due for repayment within one year are included under current liabilities in the Balance Sheet.

(K) Derivative Financial Instruments

The Company's activities expose it primarily to the financial risks of changes in market prices, foreign currency exchange rates and interest rates. Derivative transactions which the Company may enter into comprise forward exchange contracts, the purpose of which is to manage the currency risks arising from the Company's investing activities, quoted options on shares held within the portfolio, or on indices appropriate to sections of the portfolio, the purpose of which is to provide additional capital return.

The use of financial derivatives is governed by the Company's policies as approved by the Board, which has set written principles for the use of financial derivatives.

A derivative instrument is considered to be used for hedging purposes when it alters the market risk profile of an existing underlying exposure of the Company. The use of financial derivatives by the Company does not qualify for hedge accounting under IFRS. As a result, changes in the fair value of derivative instruments are recognised in the Statement of Comprehensive Income as they arise. If capital in nature, associated change in value is presented in the capital return column of the Statement of Comprehensive Income.

(L) Rates of Exchange

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of each transaction. Monetary assets, monetary liabilities and equity investments in foreign currencies at the balance sheet date are translated into Sterling at the rates of exchange ruling on that date. Realised profits or losses on exchange, together with differences arising on the translation of foreign currency assets or liabilities, are taken to the capital return column of the Statement of Comprehensive Income.

Foreign exchange gains and losses arising on investments held at fair value are included within changes in fair value.

(M) Share Capital

Represents the nominal value of authorised and allocated, called-up and fully paid shares issued.

(N) Capital Reserves

Capital reserves – gains/losses on disposal includes:

- gains/losses on disposal of investments
- exchange differences on currency balances and on settlement of loan balances
- cost of own shares bought back
- other capital charges and credits charged to this account in accordance with the accounting policies above

Capital reserve – revaluation on investments held includes:

- increases and decreases in the valuation of investments and loans held at the year end.

All of the above are accounted for in the Statement of Comprehensive Income except the cost of own shares bought back or issued which are accounted for in the Statement of Changes in Equity.

(O) Repurchase of Ordinary Shares (including those held in treasury)

Where applicable, the costs of repurchasing ordinary shares including related stamp duty and transaction costs are taken directly to equity and reported through the Statement of Changes in Equity as a charge on the capital reserve. Share repurchase transactions are accounted for on a trade date basis.

The nominal value of ordinary share capital repurchased and cancelled is transferred out of called up share capital and into the capital redemption reserve.

Where shares are repurchased and held in treasury, the transfer to capital redemption reserve is made if and when such shares are subsequently cancelled.

(P) Share issue costs

Costs incurred directly in relation to the issue of new shares together with additional share listing costs have been deducted from the share premium reserve.

(Q) Segmental Reporting

Under IFRS 8, 'Operating Segments', operating segments are considered to be the components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The chief operating decision maker has been identified as the Manager (with oversight from the Board).

The Board is of the opinion that the Company is engaged in a single segment of business, namely by investing in a diversified portfolio of technology companies from around the world in accordance with the Company's Investment Objective, and consequently no segmental analysis is provided.

Notes to the Financial Statements continued

In line with IFRS 8, additional disclosure by geographical segment has been provided in Note 26.

Further analyses of expenses, investment gains or losses, profit and other assets and liabilities by country have not been given as either it is not possible to prepare such information in a meaningful way or the results are not considered to be significant.

(R) Key Estimates, judgments and Assumptions

Estimates and assumptions used in preparing the Financial Statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The majority of the Company's investments are in US Dollars, the level of which varies from time to time. The Board considers the functional currency to be Sterling. In arriving at this conclusion, the Board considered that Sterling is most relevant to the majority of the Company's Shareholders and creditors and the currency in which the majority of the Company's operating expenses are paid.

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments and investments for which there is an inactive market. These are valued in accordance with the techniques set out in Note 2(f). At the year end, there were no unquoted investments (2020: unquoted investments represent less than 0.01% of net assets).

(S) New and revised accounting Standards

There were no new IFRSs or amendments to IFRSs applicable to the current year which had any significant impact on the Company's Financial Statements.

(i) The following new or amended standards became effective for the current annual reporting period and the adoption of the standards and interpretations have not had a material impact on the Financial Statements of the Company.

Standards & Interpretation		Effective for periods commencing on or after
IFRS 3 Business Combinations (amended)	Amendments to improve the definition of a business in order to help companies determine whether an acquisition made is of a business or a group of assets.	1 January 2020
IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (amended)	Amendments that provide certain reliefs which relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate.	1 January 2020
IAS 1 and IAS 8 Definition of Material (amended)	Amendments to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the Standards themselves.	1 January 2020
References to the Conceptual Framework in IFRS Standards (amended)	The Amendments to References to the Conceptual Framework in IFRS Standards was issued to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.	1 January 2020

(ii) At the date of authorisation of the Company's financial statements, the following new or amended IFRSs that potentially impact the Company are in issue but are not yet effective and have not been applied in the financial statements:

Standards & Interpretation		Effective for periods commencing on or after
IFRS 4 Insurance Contracts – temporary exemption from IFRS 9 (amended)	The temporary exemption permits companies whose activities are predominantly connected with insurance to defer the application of IFRS 9 to annual periods beginning on or after 1 January 2023	1 January 2021
IFRS 9, IAS 39, IFRS 7, IFRS 16 and IFRS 4: Interest Rate Benchmark Reform – phase 2 (amended)	IBOR Reform - Phase 2 address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate.	1 January 2021

The Directors expect that the adoption of the standards listed above will have either no impact or that any impact will not be material on the Financial Statements of the Company in future periods.

3 Investment income

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Revenue:		
UK dividend income	-	21
Overseas dividend income	18,156	15,740
Total investment income	18,156	15,761

All investment income is derived from listed investments.

Included within income from investments is £3,229,000 (2020: £5,000) of special dividends classified as revenue in nature in accordance with note 2 (c). No special dividends have been recognised in capital (2020: nil).

4 Other operating income

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Bank interest	1	772
Money market fund interest	7	353
	8	1,125

Notes to the Financial Statements continued

5 Gains on investments held at fair value

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Net gains on disposal of investments at historic cost	736,118	292,086
Transfer on disposal of investments	(255,764)	(258,368)
Gains on disposal of investments based on carrying value at previous balance sheet date	480,354	33,718
Valuation gains on investments held during the year	647,292	314,400
	1,127,646	348,118

6 (Losses)/gains on derivatives

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
(Losses)/gains on disposal of derivatives held	(60,474)	28,339
Gains/(losses) on revaluation of derivatives held	11,363	(15,125)
	(49,111)	13,214

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. As at 30 April 2021, the Company held NASDAQ 100 Stock Index put option and the market value of the open put option position was £2,793,000 (2020: NASDAQ 100 Stock Index put options with a market value of £2,668,000). As at 30 April 2021, the Company held Apple Inc. call options and the market value of the open call option position was £1,297,000 (2020: Intel Corporation call options with a market value of £723,000).

7 Other currency (losses)/gains

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Exchange (losses)/gains on currency balances	(9,863)	8,588
Exchange losses on settlement of loan balances	(3,517)	-
Exchange gains/(losses) on translation of loan balances	9,001	(3,337)
	(4,379)	5,251

8 Investment management and performance fee

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Investment management fee paid to Polar Capital (charged wholly to revenue)	24,134	18,273
Performance fee paid to Polar Capital (charged wholly to capital)	-	1,050

The basis for calculating the investment management and performance fees are set out in the Strategic Report on pages 58 and 59 and details of all amounts payable to the Manager are given in Note 24 on page 121.

The quarterly investment management fee is calculated on the net asset value on the last day of the prior quarter. The increase in the management fee for the year ended 30 April 2021 is mainly due to the 48% increase in net asset value which took place over the year to 30 April 2021.

9 Other administrative expenses

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Directors' fees[1]	182	196
National Insurance Contributions	18	16
Depositary fee[2]	220	160
Registrar fee	43	46
Custody and other bank charges[3]	327	219
UKLA and LSE listing fees	124	96
Legal & professional fees and other financial services	11	12
AIC fees	21	21
Auditors' remuneration – for audit of the Financial Statements[4]	44	35
Directors' and officers' liability insurance	12	9
AGM expenses	10	10
Corporate brokers' fee	37	37
Shareholder communications	57	44
Other expenses[5]	(35)	50
	1,071	951

1 Full disclosure is given in the Directors' Remuneration Report on page 90.

2 Depositary fee is based on the value of the net assists. The net assets increased by 48% during the year under review.

3 Custody fees are based on the value of the assets and geographical activity and determined on the pre-approved rate card with HSBC. The size of the assets and level of activity both increased during the year under review.

4 Includes an overrun audit cost of £3,500 in respect of year 2020 audit.

5 Other expenses include the reversal of unused prior year shareholder mailing costs and sundry expense accruals.

10 Finance costs

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Interest on loans and overdrafts	910	1,212
Loan arrangement and facility fees	86	48
	996	1,260

Notes to the Financial Statements continued

11 Taxation

(a) Analysis of tax charge for the year:	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Overseas tax	2,432	1,833
Total tax for the year (see Note 11b)	2,432	1,833

(b) Factors affecting tax charge for the year:

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

Profit before tax	1,066,119	361,935
Tax at the UK corporation tax rate of 19%	202,563	68,768
Tax effect of non-taxable dividends	(3,450)	(2,995)
Tax effect of gains on investments that are not taxable	(204,090)	(69,651)
Unrelieved current year expenses and deficits	4,977	3,878
Overseas tax suffered	2,432	1,833
Total tax for the year (see Note 11a)	2,432	1,833

(c) Factors that may affect future tax charges:

There is an unrecognised deferred tax asset comprising:

Unrelieved management expenses	41,326	36,537
Non-trading loan relationship deficits	1,194	1,006
	42,520	37,543

The deferred tax asset is based on a prospective corporation tax rate of 19% (2020: 19%).

It was substantively enacted on 24 May 2021 that the rate of UK corporation tax will increase from 19% to 25% from 1 April 2023 - had this rate increase been substantively enacted by 30 April 2021, the quantum of the unrecognised deferred tax asset as at that date would have been £55,947,000.

It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and deficits and therefore no deferred tax asset has been recognised.

Due to the Company's tax status as an investment trust and the intention to continue meeting the conditions required to obtain approval of such status in the foreseeable future, the Company has not provided tax on any capital gains arising on the revaluation or disposal of investments held by the Company.

12 (Losses)/earnings per ordinary share

	Year ended 30 April 2021			Year ended 30 April 2020		
	Revenue return	Capital return	Total return	Revenue return	Capital return	Total return
The calculation of basic earnings per share is based on the following data:						
Net (loss)/profit for the year (£'000)	(10,469)	1,074,156	1,063,687	(5,431)	365,533	360,102
Weighted average ordinary shares in issue during the year	136,938,993	136,938,993	136,938,993	133,837,576	133,837,576	133,837,576
From continuing operations						
Basic and diluted – ordinary shares (pence)	(7.65)	784.40	776.75	(4.06)	273.12	269.06

As at 30 April 2021 there are no potentially dilutive shares in issue and the earnings per share therefore equate to those shown above (2020: there was no dilution).

13 Investments held at fair value through profit or loss

(i) Investments held at fair value through profit or loss

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Opening book cost	1,566,135	1,207,102
Opening investment holding gains	652,172	596,140
Opening fair value	2,218,307	1,803,242
Analysis of transactions made during the year		
Purchases at cost	2,978,969	1,877,202
Sales proceeds received	(3,081,888)	(1,810,255)
Gains on investments held at fair value	1,127,646	348,118
Closing fair value	3,243,034	2,218,307
Closing book cost	2,199,334	1,566,135
Closing investment holding gains	1,043,700	652,172
Closing fair value	3,243,034	2,218,307
Of which:		
Listed on a recognised Stock Exchange	3,243,034	2,218,255
Unquoted	-	52

The Company received £3,081,888,000 (2020: £1,810,255,000) from disposal of investments in the year. The book cost of these investments when they were purchased were £2,345,770,000 (2020: £1,518,169,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Included in additions at cost are purchase costs of £1,345,000 (2020: £911,000). Included in proceeds of disposals are sales costs of £1,522,000 (2020: £960,000). These costs primarily comprise commission.

Notes to the Financial Statements continued

(ii) Changes in derivative financial instruments

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Valuation at 1 May	3,391	150
Additions at cost	58,545	56,102
Proceeds of disposal	(8,735)	(66,075)
(Losses)/gains on disposal	(60,474)	28,339
Valuation gains/(losses)	11,363	(15,125)
Valuation at 30 April	4,090	3,391

(iii) Classification under Fair Value Hierarchy:

The table below sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policies note on page 108.

There have been no transfers during the year between Levels 1 and 2. A reconciliation of fair value measurements in Level 3 is set out below.

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Equity Investments and derivative financial instruments		
Level 1	3,247,124	2,221,646
Level 2	-	-
Level 3	-	52
	3,247,124	2,221,698

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
Level 3 investments at fair value through profit or loss		
Opening balance	52	55
Distribution proceeds	(104)	(12)
Total gains included in the Statement of Comprehensive Income – on assets held during the year	52	9
Closing balance	-	52

(iv) Unquoted investments

As at 30 April 2021, the portfolio comprised no unquoted investment (30 April 2020: £52,000):

	30 April 2021 £'000	30 April 2020 £'000
Herald Ventures Limited Partnership	-	52
	-	52

During the year, Herald Ventures Limited Partnership has made its final distribution of £104,000 (2020: £12,000).

Level 3 investments are recognised at fair value through profit & loss on a recurring basis.

A +/- 10% change in the price used to value the investments as at the year end would result in no (2020: +/- £5,000) impact to the capital return of the profit & loss.

14 Receivables

	30 April 2021 £'000	30 April 2020 £'000
Issued ordinary shares awaiting settlement	-	3,548
Sales for future settlement	34,379	41,805
Prepayments and accrued income	1,682	1,826
VAT recoverable	35	7
	36,096	47,186

The carrying values of other receivables approximate their fair value.

15 Cash and cash equivalents

	30 April 2021 £'000	30 April 2020 £'000
Cash at bank	165,952	109,715
Money market funds	50,253	36,962
Cash and cash equivalents	216,205	146,677
Bank overdraft	(3,473)	-
	212,732	146,677

As at 30 April 2021, the Company held BlackRock's Institutional Cash Series plc – US Treasury Fund with a market value of £50,253,000 (30 April 2020: £36,962,000), which is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

16 Payables

	30 April 2021 £'000	30 April 2020 £'000
Purchases for future settlement	29,152	48,665
Accruals	7,089	1,369
	36,241	50,034

The carrying values of other payables approximate their fair value.

Notes to the Financial Statements continued

17 Bank loans

(i) Bank loans

	30 April 2021 £'000	30 April 2020 £'000
The Company has the following unsecured Japanese Yen and US Dollar loans:		
JPN¥5,200m at a rate of 0.8% expired 2 October 2020	-	38,552
US$23.3m at a rate of 4.235% expired 2 October 2020	-	18,472
JPN¥3,800m at a rate of 0.9% repayable 30 September 2022	25,109	-
US$36m at a rate of 1.335% repayable 30 September 2022	26,001	-
	51,110	57,024

The bank loans held at the year end are a Japanese Yen 3.8 billion and a US Dollar 36 million two-year fixed rate term loan with ING Bank N.V. The loans are unsecured but are subject to certain undertakings and restrictions, all of which have been complied with during the year. These loans are stated at amortised cost.

The main covenants relating to the above loans are:

(i) Total borrowings shall not exceed 30% of the Company's net asset value

(ii) The Company's minimum net asset value shall be £400 million

(iii) The Company shall not change the Investment Manager without prior written consent of the lenders.

(ii) Reconciliation of bank loans

	30 April 2021 £'000	30 April 2020 £'000
Bank loans held as at 30 April 2020	57,024	53,687
Term loan repaid under October 2018 facility	(10,300)	-
Term loan of JPN¥5,200m and US$23.3m under October 2018 facility expired in October 2020	(46,064)	-
Term loan drawn under September 2020 facility	9,870	-
Term loan of JPN¥3,800m and US$36m under September 2020 facility due to expire in September 2022	46,064	-
Exchange losses on settlement of loan balances	3,517	-
Effect of changes in foreign exchange rates on bank loans held	(9,001)	3,337
Bank loans held as at 30 April 2021	51,110	57,024

Both of the Japanese Yen 5.2 billion and US Dollar 23.3 million two-year fixed rate term loans expired on 2 October 2020, and were replaced with a Japanese Yen 3.8 billion and a US Dollar 36 million two-year fixed rate term loan with ING Bank N.V. On the date, Japanese Yen 1.4 billion was repaid and US Dollar 12.7 million was received in relation to this loan replacement.

The movement in the liability arising from the bank loans due to changes in foreign exchange rates is a non-cash movement and is included in the Statement of Comprehensive Income within 'Other currency (losses)/gains'.

18 Share capital

	30 April 2021 £'000	30 April 2020 £'000
Allotted, Called up and Fully paid:		
Ordinary shares of 25p each		
Opening balance of 134,566,000 (30 April 2020: 133,825,000)	33,641	33,456
Issue of 2,749,000 (30 April 2020: 741,000) ordinary shares	688	185
Repurchase of 770,236 (30 April 2020: nil) ordinary shares into treasury	(193)	-
Allotted, called up and fully paid: 136,544,764 (30 April 2020: 134,566,000) ordinary shares of 25p	34,136	33,641
770,236 (2020: nil) ordinary shares held in treasury	193	-
At 30 April 2021	34,329	33,641

During the year a total of 2,749,000 ordinary shares (2020: 741,000 ordinary shares), nominal value £688,000 (2020: nominal value £185,000), were issued to the market to satisfy demand, for a total net consideration of £53,715,000 (2020: £12,849,000). A total of 770,236 ordinary shares were repurchased and placed into treasury for a total consideration of £16,966,000 (2020: £nil).

Subsequent to the year end, and to 19 July 2021 (latest practicable date), 538,532 ordinary shares were repurchased and placed into treasury at an average price of 2,272.17p per share.

This reserve is not distributable.

19 Capital redemption reserve

	Year ended 30 April 2021 £'000	Year ended 30 April 2020 £'000
As at 1 May 2020	12,802	12,802
As at 30 April 2021	12,802	12,802

The Capital Redemption Reserve represents the nominal value of shares repurchased and cancelled.

This reserve is not distributable.

20 Share premium

	30 April 2021 £'000	30 April 2020 £'000
As at 1 May 2020	170,532	157,868
Issue of 2,749,000 (30 April 2020: 741,000) ordinary shares	52,842	12,664
As at 30 April 2021	223,374	170,532

The share premium arises from excess of consideration received on the issue of the shares over the nominal value.

This reserve is not distributable.

Notes to the Financial Statements continued

21 Special non-distributable reserve

	30 April 2021 £'000	30 April 2020 £'000
As at 1 May 2020	7,536	7,536
As at 30 April 2021	7,536	7,536

The special non-distributable reserve arose from the exercise of warrants which were issued by the Company at launch in 1996. The final warrant conversion was exercised in 2005.

This reserve is not distributable.

22 Capital reserves

	Capital* reserve - gains/losses on disposal 30 April 2021 £'000	Capital** reserve - revaluation 30 April 2021 £'000	Total capital reserves 30 April 2021 £'000	Capital reserve - gains/losses on disposal 30 April 2020 £'000	Capital reserve - revaluation 30 April 2020 £'000	Total capital reserves 30 April 2020 £'000
As at 1 May 2020	1,553,026	630,702	2,183,728	1,225,063	593,132	1,818,195
Net gains on disposal of investments	480,354	-	480,354	33,718	-	33,718
Transfer on disposal of investments	255,764	(255,764)	-	258,368	(258,368)	-
Valuation gains on investments held during the year	-	647,292	647,292	-	314,400	314,400
Net (losses)/gains on derivative contracts	(60,474)	11,363	(49,111)	28,339	(15,125)	13,214
Performance fee allocated to capital	-	-	-	(1,050)	-	(1,050)
Exchange (losses)/gains on currency balances	(9,863)	-	(9,863)	8,588	-	8,588
Exchange losses on settlement of loan balances	(3,517)	-	(3,517)	-	-	-
Exchange gains/(losses) on translation of loan balances	-	9,001	9,001	-	(3,337)	(3,337)
Ordinary shares repurchased into treasury	(16,966)	-	(16,966)	-	-	
Stamp duty on ordinary shares repurchased into treasury	(85)	-	(85)	-	-	-
As at 30 April 2021	2,198,239	1,042,594	3,240,833	1,553,026	630,702	2,183,728

* These are realised distributable capital reserves which may be used to repurchase the Company's shares or be distributed as dividends.

** This reserve comprises holdings gains on investments (which maybe deemed to be realised) and other amounts, which are unrealised. An analysis has not been made between the amounts that are realised (and maybe distributed or used to repurchase the Company's shares) and those that are unrealised.

23 Revenue reserve

	30 April 2021 £'000	30 April 2020 £'000
As at 1 May 2020	(99,642)	(94,211)
Loss for the year to 30 April	(10,469)	(5,431)
As at 30 April 2021	(110,111)	(99,642)

The revenue reserve may be distributed or used to repurchase the Company's shares (subject to being a positive balance).

24 Transactions with the Manager and related party transactions

(a) Transactions with the Manager

Under the terms of an agreement dated 9 February 2001 the Company has appointed Polar Capital LLP ("Polar Capital") to provide investment management, accounting, secretarial and administrative services. Details of the fee arrangement for these services are given in the Strategic Report. The total management fees, paid under this agreement to Polar Capital in respect of the year ended 30 April 2021 were £24,134,000 (2020: £18,273,000) of which £6,844,000 (2020: £nil) was outstanding at the year end.

A performance fee amounting to £nil (2020: £1,050,000) is payable in respect of the year, and £nil of this amount (2020: £1,050,000) was outstanding at the year end.

In addition, with effect from 1 May 2019, the research costs and the first £100,000 of marketing costs are borne by the Manager.

(b) Related party transactions

The compensation payable to key management personnel in respect of short term employee benefits is £182,000 (2020: £196,000) which comprises £182,000 (2020: £196,000) paid by the Company to the Directors.

Refer to pages 87 to 92 for the Directors' Remuneration Report including Directors' shareholdings and movements within the year.

25 Net asset value per ordinary share

	Net asset value per share	
	30 April 2021	30 April 2020
Undiluted:		
Net assets attributable to ordinary Shareholders (£'000)	3,408,763	2,308,597
Ordinary shares in issue at end of year	136,544,764	134,566,000
Net asset value per ordinary share (pence)	2496.44	1715.59

As at 30 April 2021, there were no potentially dilutive shares in issue (2020: there was no dilution)

26 Segmental reporting

Geographical segments

Since the Company does not have external customers an analysis of the Company's investments held at 30 April 2021 by geographical segment and the related investment income earned during the year to 30 April 2021 is noted below:

	30 April 2021 Value of investments £'000	Year ended 30 April 2021 Gross income £'000	30 April 2020 Value of investments £'000	Year ended 30 April 2020 Gross income £'000
North America	2,388,352	8,103	1,638,268	7,679
Europe	242,301	896	109,813	568
Asia Pacific (inc. Middle East)	612,381	9,157	470,226	7,514
Total	3,243,034	18,156	2,218,307	15,761

Notes to the Financial Statements continued

27 Derivatives and other financial instruments

Risk management policies and procedures

The Company invests in equities and other financial instruments for the long term to further the Investment Objective set out on page 45. This exposes the Company to a range of financial risks that could impact on the assets or performance of the Company.

The main risks arising from the Company's pursuit of its Investment Objective are market risk, liquidity risk, credit risk and gearing risk and the Directors' approach to the management of them is set out below. The risks have remained unchanged since the beginning of the year to which the Financial Statements relate.

The Company's exposure to financial instruments comprise:

- Equity and non-equity shares which are held in the investment portfolio in accordance with the Company's Investment Objective.
- Term loans and bank overdrafts, the main purpose of which is to raise finance for the Company's operations.
- Cash, money market funds, liquid resources and short-term receivables and payables that arise directly from the Company's operations.
- Derivative transactions which the Company enters into may include equity or index options, index future contracts, forward foreign exchange contracts and interest rate swaps.

The purpose of these is to manage the market price risks, foreign exchange risks and interest rate risks arising from the Company's investment activities.

The overall management of the risks is determined by the Board and its approach to each risk identified is set out below. The Board and the Investment Manager co-ordinate the risk management and the Investment Manager assesses the exposure to market risk when making each investment decision.

(a) Market Risk

Market risk comprises three types of risk: market price risk (see Note 27(a)(i)), currency risk (see Note 27(a)(ii)), and interest rate risk (see Note 27(a)(iii)).

(i) Market Price Risk

The Company is an investment company and as such its performance is dependent on the valuation of its investments. Consequently, market price risk is the most significant risk that the Company faces.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

A detailed breakdown of the investment portfolio is given on pages 37 to 44. Investments are valued in accordance with the Company's accounting policies as stated in Note 2(f).

At the year end, the Company's portfolio included derivative instruments of £4,090,000 (2020: £3,391,000).

Management of the risk

In order to manage this risk, it is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce both the statistical risk and the risk arising from factors specific to a particular technology sector. The allocation of assets to international markets, together with stock selection covering small, medium and large companies, and the use of index options, are other factors which act to reduce price risk. The Investment Manager actively monitors market prices throughout the year and reports to the Board which meets regularly in order to consider investment strategy.

Market price risk exposure

The Company's exposure to changes in market prices at 30 April on its quoted and unquoted investments was as follows:

	30 April 2021 £'000	30 April 2020 £'000
Non-current asset investments at fair value through profit or loss	3,243,034	2,218,307
Derivative financial instruments at fair value through profit or loss	4,090	3,391
	3,247,124	2,221,698

An analysis of the Company's portfolio is shown on pages 37 to 40.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the value of Shareholders' funds to an increase or decrease of 15% (2020: 15%) in the fair values of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions and historic trends. The sensitivity analysis is based on the Company's investments at each balance sheet date, with all other variables held constant.

	30 April 2021		30 April 2020	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Revenue return	(3,409)	3,409	(2,333)	2,333
Capital return	487,069	(487,069)	333,255	(333,255)
Change to the profit after tax for the year	483,660	(483,660)	330,922	(330,922)
Change to Shareholders' funds	483,660	(483,660)	330,922	(330,922)
Change to NAV per share (pence)	354.21	(354.21)	245.92	(245.92)

(ii) Currency Risk

The Company's total return and net assets can be significantly affected by currency translation movements as the majority of the Company's assets and revenue are denominated in currencies other than Sterling.

Management of the risk

The Investment Manager mitigates the individual currency risks through the international spread of investments and may make use of forward foreign exchange contracts. Borrowings in foreign currencies are entered into to manage the asset exposure to those currencies, which vary according to the asset allocation.

Notes to the Financial Statements continued

Foreign currency exposure

The table below shows, by currency, the split of the Company's non-Sterling monetary assets, liabilities and investments that are priced in currencies other than Sterling.

	30 April 2021 £'000	30 April 2020 £'000
Monetary Assets:		
Cash and short term receivables		
US Dollars	130,603	115,087
Japanese Yen	35,360	53,279
Hong Kong Dollars	26,416	-
Euros	16,296	13,603
Swiss Franc	6,816	-
Korean Won	435	382
Taiwan Dollars	317	327
Polish Zloty	-	2,234
Monetary Liabilities:		
Payables		
US Dollars	(29,178)	(39,482)
Japanese Yen	(18)	(9,828)
Euros	(5)	(9)
Taiwan Dollars	-	(2,149)
Bank Loans:		
US Dollars	(26,001)	(18,472)
Japanese Yen	(25,109)	(38,552)
Foreign currency exposure on net monetary items	135,932	76,420
Non-Monetary Items:		
Investments at fair value through profit or loss that are equities		
US Dollars	2,546,974	1,754,556
Euros	177,166	68,043
Japanese Yen	159,764	146,071
Taiwan Dollars	125,518	68,759
Korean Won	124,568	69,603
Hong Kong Dollars	85,747	81,867
Swedish Kroner	4,140	1,899
Canadian Dollars	3,593	-
Norwegian Krone	-	3,992
Investments at fair value through profit or loss that are derivatives		
US Dollars	4,090	3,391
Total net foreign currency exposure	3,367,492	2,274,601

Foreign currency exchange rate movement

During the financial year Sterling appreciated by 9.8% (2020: depreciated by 3.2%) against the US Dollar, appreciated by 12.2% (2020: depreciated by 7.1%) against the Japanese Yen, depreciated by 0.1% (2020: depreciated by 1.0%) against the Euro, appreciated by 10.0% (2020: depreciated by 4.4%) against the Hong Kong Dollar, appreciated by 0.2% (2020: appreciated by 0.9%) against the Korean Won and appreciated by 3.1% (2020: depreciated by 6.9%) against the Taiwan Dollar.

Foreign currency sensitivity

The following table illustrates the sensitivity of the loss after tax for the year and the value of Shareholders' funds in regard to the financial assets and financial liabilities and the exchange rates for the £/US Dollar, £/Euro, £/Japanese Yen, £/Hong Kong Dollar, £/Korean Won and £/Taiwan Dollar.

Based on the year end position, if Sterling had depreciated, by a further 10% (2020: 10%), against the currencies shown, this would have the following effect:

	30 April 2021 £'000					
	US Dollar	Euro	Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income – profit/loss after tax						
Revenue return	671	104	277	22	245	189
Capital return	291,821	21,480	18,772	12,463	13,841	13,982
Change to the profit/loss after tax for the year	292,492	21,584	19,049	12,485	14,086	14,171
Change to Shareholders' funds	292,492	21,584	19,049	12,485	14,086	14,171

	30 April 2020 £'000					
	US Dollar	Euro	Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income – profit/loss after tax						
Revenue return	667	83	211	24	177	176
Capital return	201,676	9,071	16,774	9,096	7,776	7,437
Change to the profit/loss after tax for the year	202,343	9,154	16,985	9,120	7,953	7,613
Change to Shareholders' funds	202,343	9,154	16,985	9,120	7,953	7,613

Notes to the Financial Statements continued

Based on the year end position, if Sterling had appreciated, by a further 10% (2020: 10%), against the currencies shown, this would have the following effect:

	30 April 2021 £'000					
	US Dollar	Euro	Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income – profit/loss after tax						
Revenue return	(549)	(85)	(227)	(18)	(200)	(155)
Capital return	(238,763)	(17,575)	(15,359)	(10,197)	(11,324)	(11,440)
Change to the profit/loss after tax for the year	(239,312)	(17,660)	(15,586)	(10,215)	(11,524)	(11,595)
Change to Shareholders' funds	(239,312)	(17,660)	(15,586)	(10,215)	(11,524)	(11,595)

	30 April 2020 £'000					
	US Dollar	Euro	Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income – profit/loss after tax						
Revenue return	(546)	(68)	(173)	(20)	(145)	(144)
Capital return	(165,007)	(7,422)	(13,725)	(7,442)	(6,362)	(6,085)
Change to the profit/loss after tax for the year	(165,553)	(7,490)	(13,898)	(7,462)	(6,507)	(6,229)
Change to Shareholders' funds	(165,553)	(7,490)	(13,898)	(7,462)	(6,507)	(6,229)

In the opinion of the Directors, neither of the above sensitivity analyses are representative of the year as a whole since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.

(iii) Interest Rate Risk

Interest rate changes may affect the income received from cash at bank and interest payable on borrowings.

All cash balances earn interest at a variable rate.

The Company has additional exposure to interest rate risk in relation to its holdings in the money market funds and receive interests income at a variable rate.

The Company finances its operations through its term loans as well as bank overdrafts and any retained gains arising from operations.

The Company uses borrowings in the desired currencies at both fixed and floating rates of interest to both generate the desired interest rate profile and manage the exposure to interest rate fluctuations.

The Company's Japanese Yen and US Dollar two-year term loan carries a fixed rate of interest and therefore does not give rise to any interest rate risk.

Management of the risk

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. The Company may also enter into interest rate swap agreements.

Interest rate exposure
The exposure, at 30 April, of financial assets and liabilities to interest rate risk is shown by reference to:

– floating interest rates (i.e. giving cash flow interest rate risk) – when the rate is due to be re-set;

– fixed interest rates (i.e. giving fair value interest rate risk) – when the financial instrument is due for repayment.

	30 April 2021 (£'000)			30 April 2020 (£'000)		
	Within one year	More than one year	Total	Within one year	More than one year	Total
Exposure to floating interest rates:						
Cash and cash equivalents	162,479	-	162,479	109,715	-	109,715
Money market funds	50,253	-	50,253	36,962	-	36,962
Exposure to fixed interest rates:						
Bank loan	-	(51,110)	(51,110)	(57,024)	-	(57,024)
Total exposure to interest rates	212,732	(51,110)	161,622	89,653	-	89,653

Upon expiry of the Japanese Yen and US Dollar two-year fixed rate term loan on 2 October 2020, the Company entered into replacement contracts with ING Bank N.V for two, two-year fixed rate term loans of Japanese Yen 3.8 billion (2020: 5.2 billion) at an interest rate of 0.90% (2020: 0.80%) and US Dollar 36 million (2020: 23.3 million) at an interest rate of 1.335% (2020: 4.2350%) per annum, both of which fall due for repayment on 30 September 2022.

Interest rate sensitivity
The sensitivity analysis is based on the Company's monetary financial instruments held at each balance sheet date, with all other variables held constant.

The table below illustrates the Company's sensitivity to interest rate movements, with a change of 0.25% per annum in the rates of interest available to the Company's financial assets and a change of 0.25% per annum in the rates of interest available to the Company's financial liabilities. The effect on the revenue and capital return after tax and the value of Shareholders' funds are as follows if rates increased:

	30 April 2021 £'000	30 April 2020 £'000
Statement of Comprehensive Income – profit/loss after tax		
Revenue return	404	224
Capital return	-	-
Change to the profit/loss after tax for the year	404	224
Change to Shareholders' funds	404	224

A corresponding decrease in the rate would have equal and opposite effect to that shown in the table above.

This level of change is considered to be reasonably possible based on observation of current market conditions. This is not representative of the year as a whole, since the exposure changes as level of cash/(loans) held during the year will be affected by the strategy being followed in response to the Investment Manager's perception of market prospects and the investment opportunities available at any particular time.

(b) Liquidity Risk
Liquidity risk is the possibility of failure of the Company to realise sufficient assets to meet its financial liabilities.

Management of the risk
The Company's assets mainly comprise readily realisable securities which may be sold to meet funding requirements as necessary.

Notes to the Financial Statements continued

Liquidity risk exposure

The maturity of the Company's existing borrowings are set out in Note 17 to the Financial Statements. Short-term flexibility is achieved through the use of overdraft facilities.

At 30 April the financial liabilities comprised of:

	30 April 2021 £'000	30 April 2020 £'000
Due within 1 month:		
Balances due to brokers	29,152	48,665
Accruals	7,044	1,284
Bank overdraft	3,473	-
Due after 3 months and within 1 year:		
Bank loan interest	626	57,581
Due after 1 year and within 2 years:		
Bank loan and interest	51,358	-

(c) Credit Risk

Credit risk is the exposure to loss from failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits.

Management of the risk

The Company manages credit risk by using brokers from a database of approved brokers and by dealing through Polar Capital.

All cash balances are held with approved counterparties. HSBC Bank plc is the Custodian of the Company's assets. The Company's assets are segregated from HSBC's own trading assets and are therefore protected in the event that HSBC were to cease trading.

These arrangements were in place throughout the current year and the prior year.

Credit risk exposure

The maximum exposure to credit risk at 30 April 2021 was £252,191,000 (30 Apr 2020: £193,807,000) comprising:

	30 April 2021 £'000	30 April 2020 £'000
Balances due from brokers	34,379	41,805
Accrued income	1,607	1,777
Issued ordinary shares awaiting settlement	-	3,548
Cash at bank	165,952	109,715
Money market funds	50,253	36,962
	252,191	193,807

All of the above financial assets are current, their fair values are considered to be the same as the values shown and the likelihood of a material credit default is considered low.

None of the Company's financial assets are past due or impaired. All deposits were placed with banks that had a rating of A or higher.

The money market fund, BlackRock's Institutional Cash Series plc – US Treasury Fund, held by the Company as at year ended 30 April 2021 has a rating of AAA or higher, the fund invests primarily in US Treasury bills, US Treasury Repurchase Agreements and other similar instruments.

Investment transactions are carried out with a large number of brokers, the credit standing of each is reviewed periodically by the Investment Manager are set on the amount that may be due from any one broker.

(d) Gearing risk

The Company's policy is to increase its exposure to equity markets through the judicious use of borrowings. When borrowings are invested in such markets, the effect is to magnify the impact on Shareholder's funds of changes, both positive and negative, in the value of the portfolio.

Management of the risk

The Company uses short-term loans to manage gearing risk, details of which can be found in Note 17.

Gearing risk exposure

The loans are valued at amortised cost, using the effective interest rate method in the Financial Statements. The Board regulates the overall level of gearing by raising or lowering cash balances.

(e) Capital Management Policies and Procedures

The Company's capital, or equity, is represented by its net assets which are managed to achieve the Company's Investment Objective set out on page 45.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

(i) the planned level of gearing through the Company's fixed rate loan facility, credit facility and

(ii) the need to issue or buy back equity shares for cancellation, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium).

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to externally imposed capital requirements through the Companies Act with respect to its status as a public company.

In addition in order to pay dividends out of profits available for distribution by way of dividend, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by Company Law. The Company is also subject to externally imposed capital requirements through the loan covenants set out in the loan facility.

These requirements are unchanged since the previous year end and the Company has complied with them.

28 Post Balance Sheet Event

Subsequent to the year end, and to 19 July 2021, 538,532 ordinary shares were repurchased and placed in the treasury at an average price of 2,272.17p per share.

There are no other significant events that have occurred after the end of the reporting period to the date of this report which require disclosure.

Alternative Performance Measures (APMs)

In assessing the performance of the Company, the Investment Manager and the Directors use the following APMs which are considered to be known industry metrics:

Net Asset Value (NAV)

The NAV is the value attributed to the underlying assets of the Company less the liabilities, presented either on a per share or total basis.

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'Shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The NAV per ordinary share is published daily.

		30 April 2021	30 April 2020
Company's total equity	a	£3,408,763,000	£2,308,597,000
Total ordinary shares in issue (excluding those held in treasury)	b	136,544,764	134,566,000
Company's NAV per share as at the year end	(a / b)	2496.44p	1715.59p

NAV Total Return

The NAV total return shows how the net asset value per share has performed over a period of time taking into account both capital returns and dividends paid to Shareholders.

NAV total return reflects the change in value of NAV plus the dividend paid to the Shareholder. Since the Company has not paid a dividend the NAV total return is the same as the NAV per share return as at the year ended 30 April 2021 and 30 April 2020.

		Year ended 30 April 2021	Year ended 30 April 2020
Opening NAV per share	a	1715.59p	1446.40p
Closing NAV per share	b	2496.44p	1715.59p
NAV total return for the year	(b / a)-1	45.5%	18.6%

Share Price Total Return

Share price total return shows how the share price has performed over a period of time. It assumes that dividends paid to Shareholders are reinvested in the shares at the time the shares are quoted ex dividend.

Share price total return reflects the change in share price value plus the dividend paid to the Shareholder. Since the Company has not paid dividends the share price total return is the same as the price per ordinary share return as at year end 30 April 2021 and 30 April 2020.

		Year ended 30 April 2021	Year ended 30 April 2020
Opening share price	a	1774.00p	1354.00p
Closing share price	b	2364.00p	1774.00p
Share price total return for the year	(b / a)-1	33.3%	31.0%

(Discount)/Premium

A description of the difference between the share price and the net asset value per share usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the NAV per share the result is a premium. If the share price is lower than the NAV per share, the shares are trading at a discount.

		30 April 2021	30 April 2020
Closing share price	a	2364.00p	1774.00p
Closing NAV per share	b	2496.44p	1715.59p
(Discount)/premium of ordinary share price to the NAV per ordinary share	(a / b)-1	(5.3%)	3.4%

Ongoing Charges

Ongoing charges are calculated in accordance with AIC guidance by taking the total expenses of the Company, excluding performance fees and exceptional items, if any, and expressing them as a percentage of the average daily net asset value of the Company over the year.

Ongoing charges include all regular operating expenses of the Company. Transaction costs, interest payments, tax and non-recurring expenses are excluded from the calculation as are the costs incurred in relation to share issues and share buybacks.

Where a performance fee is paid or is payable, a second ongoing charge is provided, calculated on the same basis as the above but incorporating the amount of performance fee due or paid.

		Year ended 30 April 2021	Year ended 30 April 2020
Investment Management (Note 8)		£24,134,000	£18,273,000
Other Administrative Expenses (Note 9)		£1,071,000	£951,000
	a	£25,205,000	£19,224,000
Average net assets value	b	£3,075,483,000	£2,057,773,000
Ongoing Charges	a / b	0.82%	0.93%
Performance fee (Note 8)	c	-	£1,050,000
	d = a+c	£25,205,000	£20,274,000
Ongoing charges including performance fee	d / b	0.82%	0.99%

Glossary of Terms

AAII Bear	American Association of Individual Investors sentiment survey showing the mood of individual investors – Bullish/Neutral/Bearish.
AAF Report	A report prepared in accordance with Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales. Utilised within the review of internal controls.
AGM	The Annual General Meeting will be held on Wednesday, 1 September 2021. Details of the arrangements will be provided in early August in the separate Notice of AGM, on the Company's website and via a Regulatory Information Service.
AIC	Association of Investment Companies, the industry body for closed ended investment companies.
AIFM	Alternative Investment Fund Manager – Polar Capital LLP.
AIFMD	Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013. The Directive requires that, while the Board of Directors of an Investment Trust remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations, all alternative investment funds ('AIFs') in the UK and European Union, must appoint a Depositary and an Alternative Investment Fund Manager ('AIFM'). The Company's AIFM is Polar Capital LLP.
Benchmark	The Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes).
BREXIT	The process of the UK leaving the European Union following the public referendum in 2016.
Closed-ended Investment Company	An Investment Company with a fixed issued ordinary share capital, the shares of which are traded on an exchange at a price not necessarily related to the net asset value of the company and which can only be issued or bought back by the company in certain circumstances.
Custodian	The Custodian is HSBC Bank plc, a financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.
Depositary	The Depositary is also HSBC Bank plc. Under AIFMD rules the Company must appoint a Depositary whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. The Depositary's oversight duties will include but are not limited to share buybacks, dividend payments and adherence to investment limits.
Derivative	A contract between two or more parties, the value of which fluctuates in accordance with the value of an underlying security. Examples of derivatives are Put and Call Options, Swap contracts, Futures and Contracts for Difference. A derivative can be an asset or a liability and is a form of gearing because it can increase the economic exposure to Shareholders.
ESEF	European Single Electronic Format is the single electronic reporting format which will apply with effect from 1 January 2021 to consolidated annual accounts prepared in accordance with IFRS and traded on a regulated market.
ESMA	The European Securities and Markets Authority is an independent EU authority whose purpose is to improve investor protection and promote stable, orderly financial markets.

Fund/Portfolio Manager	Ben Rogoff of Polar Capital LLP has been delegated responsibility for the creation and management of the portfolio of investments subject to the investment policy and various parameters set by the Board of Directors.
IFRS	International accounting standards in conformity with the requirements of the Companies Act 2006. They comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Financial Reporting Committee, including interpretations issued by the IFRS Interpretations Committee and interpretations issued by the International Accounting Standard Committee (IASC).
Investment Company	In Section 833 of the Companies Act 2006, an Investment Company is defined as a company which invests its funds in shares, land or other assets with the aim of spreading investment risk.
Investment Trust taxation status	UK Corporation Tax law (Section 1158 of the Corporation Tax Act 2010) allows an Investment Company (referred to in Tax law as an Investment Trust) to be exempt from tax on its profits realised on investment transactions, provided it complies with certain rules. These are similar to Section 833 above but further require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors' Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.
KPMG	The Company's auditor is KPMG LLP, represented by John Waterson, Partner.
Leverage	As defined under AIFMD rules, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to gearing but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowings).
Manager/Investment Manager	Polar Capital LLP (Polar Capital), also appointed as AIFM. The responsibilities and fees payable to Polar Capital are set out in the Directors' Report.
MiFID II	Markets in Financial Instruments Directive, applicable from 3 January 2018.
Non-executive Director	The Company is managed by a Board of Directors who are appointed by letter rather than a contract of employment, with the Company. The Company does not have any executive Directors. Remuneration of the Non-executive Directors is set out in the Directors' Remuneration Report while the duties of the Board and the various Committees are set out in the Corporate Governance Statement.
PCT or the Company	Polar Capital Technology Trust Plc.
PRIIPS	The Packaged Retail and Insurance-based Investment Products regulations which came into force on 1 January 2018 in the EU. The regulations require generic pre-sale disclosure of investment 'product' costs, risks and certain other matters.
SORP	The Statement of Recommended Practice. The financial statements of the Company are prepared in accordance with the Investment Trust SORP issued by the AIC.

Additional Information

History

The Company was launched in 1996 with a five-yearly continuation vote. Shareholders approved the resolution for the Company to continue in operation in its current form at the AGM in 2020. The next continuation vote of the Company, in accordance with the Articles of Association, will be proposed at the AGM to be held in 2025. The Company continues to operate as an investment trust with an independent Board and third-party investment manager.

Benchmark

The Company uses the Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes) as the Benchmark against which Net Asset Value (NAV) performance is measured for the purpose of assessing performance fees.

Investing

The ordinary shares of the Company are listed and traded on the London Stock Exchange. Investors should be aware that the value of the Company's ordinary shares may reflect the greater relative volatility of technology shares.

Polar Capital Technology Trust plc is an investment trust and as such its ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream investment products. The Company conducts its affairs and intends to do so for the foreseeable future so that the exclusion continues to apply.

There are a variety of ways to invest in the Company. However, this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

Private Client Stockbrokers – generally for investors with a large lump sum to invest, a private client stockbroker will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from The Personal Investment Management & Financial Advice Association (PIMFA) at www.pimfa.co.uk

Financial Advisers – carry out the share transactions for their clients, they can do this directly but also via a growing number of platforms that offer investment trusts including AJ Bell, Interactive Investor, Ascentric, Embark, Nucleus, Raymond James, Seven IM and Transact. For investors looking to find a financial adviser, please visit www.unbiased.co.uk

For those investors who are happy to make their own investment decisions:

Online Stockbroking Services – There are a number of real time execution only stockbroker services which allow private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services include AJ Bell, Interactive Investor, Barclays Stockbrokers, Halifax Share Dealing and Hargreaves Lansdown.

Share Dealing Services

The Company has also made arrangements with its share registrars, Equiniti Limited, for investors to buy and sell shares through the Shareview.co.uk service.

For telephone sales call 0345 603 7037 (or +44 121 415 7560) between 8.30am and 4.30pm for dealing and up to 6.00pm for enquiries, Monday to Friday. For Internet sales log on to www.shareview.co.uk/dealing

Investing Risks

Investors should be aware of the following risks when considering investing in the shares of Polar Capital Technology Trust plc:

Past performance is not a guide to future performance. Please remember that any investment in the shares of Polar Capital Technology Trust either directly or through a savings scheme or ISA carries the risk that the value of the investment and any income from such may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back the original amount invested.

Investors should be aware that the value of the NAV of the Company's shares may reflect the greater relative volatility of technology shares. Technology shares are subject to the risks of developing technologies, competitive pressures and other factors including the acceptance by business and consumers of new technologies. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in smaller capitalisation businesses. As the Company invests in overseas companies changes in exchange rates may cause fluctuations in the value of the investments and of your investment in the Company.

The Company takes on bank debt for investment purposes ('gearing') which exposes the company to exchange risk when the borrowings are in different currencies and the value of the investments made with the borrowings may fall and may not be sufficient to cover the borrowings and interest costs. However, the Company may increase or decrease its borrowing levels to suit market conditions.

If you are investing through a savings plan, ISA or other investment arrangement it is important that you read the key features documents and understand the risks associated with investing in the shares of the Company. If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

Tax rates and reliefs change from time to time and may affect the value of your investment.

Polar Capital Technology Trust plc is a public listed company on the London Stock Exchange Premium Market section and complies with the Financial Conduct Authority ('FCA') Listing Rules. It is not directly authorised and regulated by the FCA.

Capital Gains Tax

Information on Capital Gains Tax ('CGT') is available on the HM Revenue & Customs website www.hmrc.gov.uk/cgt/ index.

When shares are disposed of a capital gain may result if the disposal proceeds exceed the sum of the base cost of the shares sold and any other allowable deductions such as share dealing costs. The exercise of subscription shares into ordinary shares should not have given rise to a capital gain, however a capital gain may arise on the eventual disposal of those shares.

The calculations required to compute capital gains may be complex and depend on personal circumstances. Shareholders are advised to consult their personal financial advisor for further information regarding a possible tax liability in respect of their shareholdings.

Within the Document Library of the Company's website, launch and calculation details for CGT purposes are provided, Shareholders may find these useful when considering their tax position.

Securities Financing Transactions

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions ('SFTs') or total return swaps will be required on all reports & accounts published after 13 January 2018. During the period to 30 April 2021 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Statement by the Depositary

The statement of the Depositary's responsibilities in respect of the Company and its report to Shareholders for the year ended 30 April 2021 is available on the Company's website. The Depositary, having carried out such procedures as it considered necessary, was satisfied that in all material respects the Company was managed in accordance with the applicable FCA rules and AIFMD.

Statement By The AIFM

The statement by the AIFM in respect of matters to be disclosed to investors for the year ended 30 April 2021 is available on the Company's website.

Share Price and Net Asset Value

The Company's Net Asset Value (NAV) is normally released daily, on the next working day, following the calculation date, to the London Stock Exchange. The mid-market price of the ordinary shares is published daily in the Financial Times in the Companies and Markets section under the heading 'Investment Companies'. Share price information is also available from The London Stock Exchange website: www.londonstockexchange.co.uk

Dividends

The Company has not historically paid a dividend as the objective is capital growth.

Company Website

www.polarcapitaltechnologytrust.co.uk

The Investment Manager maintains a website on behalf of the Company which provides a wide range of information on the Company, monthly factsheets issued by the Investment Manager and copies of announcements, including the annual and half year reports when issued.

Information on the Company can also be obtained from various other sources including:

- www.theaic.co.uk
- www.ft.com/markets
- www.londonstockexchange.co.uk

Additional Information continued

Electronic Communications

If you hold your shares in your own name you can choose to receive communications from the Company in electronic format. This method reduces cost, is environmentally friendly and, for many, is convenient.

If you would like to take advantage of Electronic Communications, please visit our registrar's website at www.shareview.co.uk. You will need your Shareholder Reference Number. If you agree to the terms and conditions, in future, on the day that documents are sent to shareholders by post you will receive an e-mail providing the website address where the documents can be viewed and downloaded. Paper copies will still be available on request.

Disability Act

Copies of this Annual Report and Financial Statements or other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate.

You can contact our Registrars, Equiniti Limited, who have installed textphones to allow speech and hearing-impaired people who have their own textphone to contact them directly by ringing 0870 600 3950 without the need for an intermediate operator. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for the Deaf), you should dial 18001 followed by the number you wish to dial.

Boiler Room Scams

Shareholders of the Polar Capital Technology Trust plc may receive unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in U.S. or UK investments or offering to act on the shareholder's behalf on the payment of a retainer or similar in a spurious corporate event. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you have been contacted by an unauthorised firm regarding your shares the FCA would like to hear from you. You can report an unauthorised firm using the FCA helpline on 0845 606 1234 or 0800 111 6768 or by visiting their website, which also has other useful information, at www.fca.org.uk

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- If the calls persist, hang up

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. More detailed information on this or similar activity can be found on the FCA website.

Forward-Looking Statements

Certain statements included in this Annual Report and Financial Statements contain forward-looking information concerning the Company's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which the Company operates.

By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within the Company's control or can be predicted by the Company.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the principal risks and uncertainties included in the Strategic Report within this Annual Report.

No part of this Annual Report constitutes, or shall be taken to constitute, an invitation or inducement to invest in Polar Capital Technology Trust plc or any other entity and must not be relied upon in any way in connection with any investment decision.

The Company undertakes no obligation to update any forward-looking statements.

How to avoid investment and pension scams

1. **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2. **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.

3. **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Contact Information

Registered Office and Address for Contacting the Directors
16 Palace Street,
London,
SW1E 5JD
020 7227 2700

Company Registered Number
Polar Capital Technology Trust Plc
(The 'Company')
is incorporated in England and Wales with company number 3224867 and registered as an investment company under section 833 of the Companies Act 2006.

Investment Manager and AIFM
Polar Capital LLP
Authorised and regulated by the Financial Conduct Authority
Represented by Portfolio Manager Ben Rogoff

Company Secretary
Polar Capital Secretarial Services Limited
Represented by Tracey Lago, FCG
Email: cosec@polarcapital.co.uk

Independent Auditors
KPMG LLP
Chartered Accountants and Statutory Auditors
15 Canada Square,
London, E14 5GL

Solicitor
Herbert Smith Freehills LLP
Exchange House, Primrose Street, London EC2A 2EG

Corporate Broker
Stifel Nicolaus Europe Limited
150 Cheapside,
London, EC2V 6ET

Depositary, Bankers and Custodian
HSBC Bank PLC
8 Canada Square,
London, E14 5HQ

Registrar
Equiniti Limited
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA

Shareholder helpline: 0800 876 6889
(or +44 (0) 121 415 0804 from overseas)
www.shareview.co.uk

Shareholders who have their shares registered in their own name, not through a share savings scheme or ISA, can contact the registrars with any queries on their holding. In correspondence you should refer to the Company, stating your registered name and address and, if available, your full account number.

Financial Calendar
The key dates in the Company's financial year are as follows:

30 April	Financial year-end
Early July	Announcement of year-end results
Early September	Annual General Meeting
31 October	Half-year end
Mid December	Announcement of half-year results

Identification Code

SEDOL	422002
ISIN	GB0004220025
TICKER	PCT
BLOOMBERG	PCT.LN
DATASTREAM	PCT
REUTERS	PCT.L
LIPPER	71000395
GIIN	J29SBF.99999.SL.826
LEI	549300TN1O5392UC4K19

AIC
The Company is a member of the Association of Investment Companies ('AIC'). The AIC website www.theaic.co.uk contains detailed information about investment trusts, including guides and statistics.