Polar Capital Technology Trust plc

31 October 2024

Trust Fact Sheet

Ordinary Shares

Share Price	310.50p
NAV per share	352.13p
Premium	-
Discount	-11.82%
Capital	1,186,874,680 shares of 2.5p*

*Excluding Ordinary shares held in treasury

Assets & Gearing [1]

Total Net Assets	£4,179.6m
AIC Gearing Ratio	n/a
AIC Net Cash Ratio	3.80%

Fees [2 3]

Management Fees	
£0 - £2bn	0.80%
£2bn - £3.5bn	0.70%
Over £3.5bn	0.60%
Performance	10.00% over Benchmark
Ongoing Charges	0.80%

Fund Managers

Ben Rogoff
Partner
Ben has directed the Trust since 2006, he joined Polar Capital in 2003 and has 29 years of industry experience.

Alastair Unwin CFA
Deputy Manager
Alastair became Deputy Manager in 2023, he joined Polar Capital in 2019 and has 13 years of industry experience.

Nick Evans	Partner
Xuesong Zhao	Partner
Fatima Iu	Fund Manager
Paul Johnson	Investment Analyst
Nick Williams	Investment Analyst
Patrick Stuff	Investment Analyst
Fred Holt	Investment Analyst
Lina Ghayor	Investment Analyst
Paddy Drewett	Data Analyst

Fund Awards

aic Shareholder Communication Awards 2023 WINNER

PORTFOLIO ADVISER FUND AWARDS '20 GOLD SECTOR SPECIALIST LAST WORD

WINNER Citywire INVESTMENT AWARDS 2023 Technology/ Biotech – Active POLAR CAPITAL TECHNOLOGY PLC

Trust Profile

Investment Objective

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

Key Facts

- One of the largest dedicated tech investment teams in Europe
- Theme-based approach to stock selection
- Looking for the best small, medium or large companies across the globe
- Launched in 1996, it has a multi-cycle track record

Investment Policy

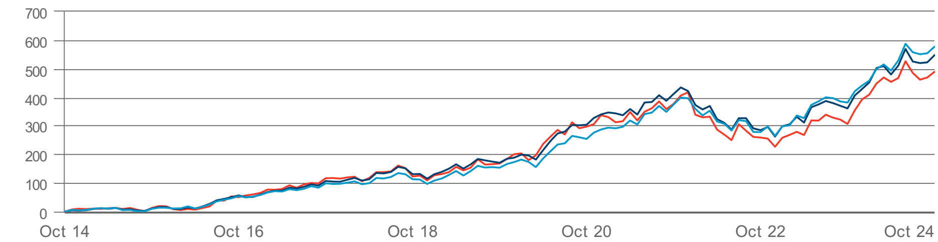
The Company invests its technology assets in a portfolio comprised primarily of international quoted equities which is diversified across both regions and sectors within the overall investment objective to reduce investment risk.

Investment Approach

The Polar Capital Technology team selects companies for their potential for shareholder returns, not on the basis of technology for its own sake. The team believe in rigorous fundamental analysis and focus on: management quality, the identification of new growth markets, the globalisation of major technology trends, exploiting international valuation anomalies and sector volatility.

Performance

Performance over 10 years (%)



	1 month	3 month	YTD	1 year	3 years	5 years	10 years
Ordinary Share Price (TR)	3.50	0.65	19.65	44.76	23.51	119.28	489.18
NAV per share	4.05	3.55	22.39	40.37	26.52	138.76	547.40
Benchmark	3.50	2.94	25.09	40.55	42.58	166.72	576.94

Discrete Annual Performance (%) [4]

	Financial YTD	31.10.23 31.10.24	31.10.22 31.10.23	29.10.21 31.10.22	30.10.20 29.10.21	31.10.19 30.10.20
Ordinary Share Price (TR)	6.34	44.76	13.25	-24.66	20.00	47.95
NAV per share	11.66	40.37	19.75	-24.73	26.65	49.01
Benchmark	14.10	40.55	27.28	-20.30	33.94	39.67

Performance relates to past returns and is not a reliable indicator of future returns.
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, total return, Net of Fees in GBP terms.
1. Gearing calculations are exclusive of current year revenue/loss.
2. The performance fee is subject to a high watermark and cap, where payable any performance fee is charged 100% to capital. Further details can be found under Corporate Documents of the Company's website: http://www.polarcapitaltechnologytrust.co.uk.
3. Management fees are charged 100% to revenue. The management fee is calculated against the NAV. Ongoing charges (OCR) are calculated at the latest published year end date, excluding any performance fees. Ongoing Charges are the total operating expenses, excluding any performance fee, of the Company expressed as a percentage of the average daily net asset value during the year. The OCR shows the annual percentage reduction in the net asset value as a result of the costs of running the Company. The OCR for the year to 30 April 2024 was 0.80%. The figures are current estimates and may change in the future. Please see the Annual Report and Financial Statements for further information about the calculation of fees.
4. The end of the financial year for the Company is the final day of April each year.
Risk Warning Your capital is at risk. You may not get back the full amount you invested. Please note the Risks and Important information at the end of this document, and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.
Discount Warning The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

Portfolio Exposure

As at 31 October 2024

Top 10 Positions (%)

NVIDIA	11.9
Microsoft^	8.1
Meta Platforms	6.6
Apple^	5.5
TSMC	5.2
Alphabet	4.6
Broadcom	4.2
Arista Networks	2.5
CloudFlare	2.1
Micron Technology	1.9
Total	**52.6**

^The Trust may hold call and/or put options for Efficient Portfolio Management. The Microsoft position reflects an equity holding of 7.11% with the remainder explained by a call option with delta-adjusted exposure of 1.03% and premium value of 0.07% at month end. The Apple position reflects an equity holding of 4.67% with the remainder explained by a call option with delta-adjusted exposure of 0.78% and premium value of 0.04% at month end.

Total Number of Positions 102

Market Capitalisation Exposure (%)

Large Cap (>US$10 bn)	90.3
Mid Cap (US$1 bn - 10 bn)	9.4
Small Cap (<US$1 bn)	0.3

Trust Characteristics

Launch Date	16 December 1996
Year End	30 April
Results Announced	Mid July
Next AGM	September
Continuation Vote	2025 AGM
Listed	London Stock Exchange

Benchmark

Dow Jones Global Technology Index Total Return Sterling adjusted with the removal of relevant withholding taxes (from 1 May 2013)

FX Rates

GBP/USD	1.2857
GBP/EUR	1.1842
GBP/JPY	195.8366

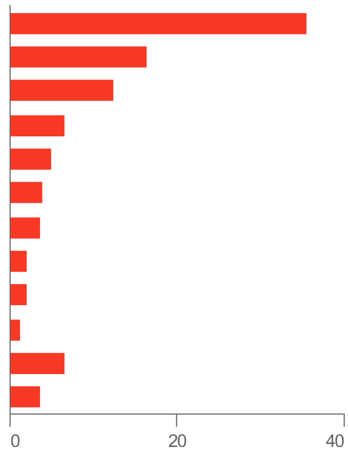
Codes

Ordinary Shares

ISIN	GB00BR3YV268
SEDOL	BR3YV26
London Stock Exchange	PCT

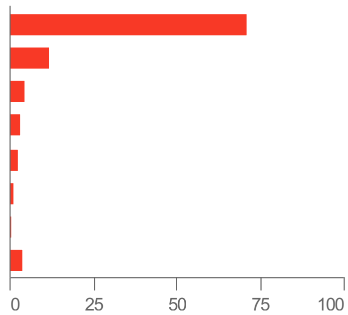
Sector Exposure (%)

Semiconductors & Semiconductor Equip.	35.7
Software	16.5
Interactive Media & Services	12.6
Tech. Hardware, Storage & Periph.	6.7
Electronic Equipment, Instruments & Components	5.1
IT Services	3.9
Communications Equipment	3.7
Broadline Retail	2.1
Entertainment	2.0
Aerospace & Defense	1.3
Other	6.7
Cash	3.8



Geographic Exposure (%)

US & Canada	71.5
Asia Pac (ex-Japan)	11.9
Japan	4.9
Europe (ex UK)	3.6
Middle East & Africa	2.8
UK	1.2
Latin America	0.4
Cash	3.8



The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

Note: Totals may not sum due to rounding. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Investing in the Trust and Shareholder Information

Market Purchases

The shares of Polar Capital Technology Trust PLC are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

Details of the different ways of dealing in the company's shares are given on the website. Equiniti, the company's registrars provide an internet share sale service.

Telephone 0800 876 6889
Online www.shareview.co.uk

Corporate Contacts

Registered Office and Website
16 Palace Street, London SW1E 5JD
www.polarcapitaltechnologytrust.co.uk

Registrar
Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

Custodian
HSBC Plc is the Depositary and provides global custody of all the company's investments.

Fund Managers' Comments

Key points

- Technology giants continue to scale their AI infrastructure investments, suggesting confidence in its long-term potential as adoption maintains its growth
- The US economy continues to offer a supportive environment for risk assets, despite risks around tariffs and growing budget deficits
- The market and technology sector responded positively to a decisive US election result and likely pro-business/low-tax policy agenda

Market review

Global equity markets were soft in October, although this was more than offset by US dollar strength (trade-weighted dollar +3.2%) leaving the MSCI All Country World Net Total Return Index +2% in sterling terms for the month.

Equity markets largely shrugged off rising US treasury yields, driven by the prospect of a strengthening economy following the 50bps rate cut by the Federal Reserve (Fed) in September and higher than expected employment and inflation data in October. Treasury yields were also impacted by rising odds of a Donald Trump US presidential election victory, with proposed policies expected to further widen the budget deficit. The US labour market reaccelerated in September, adding 254,000 jobs – the strongest growth in six months and higher than the average monthly gain of 203,000 over the previous 12 months.

While inflation has fallen meaningfully from peak levels, wage growth during the month remained high, with average hourly earnings increasing +0.4% month on month (m/m) in September, above forecasts of +0.3%. Likewise, the US Consumer Price Index (CPI) increased +0.2% m/m in September, above forecasts of +0.1%. Although the annualised inflation rate decelerated for a sixth consecutive month, to +2.4% year on year (y/y), core CPI (which excludes volatile items such as food and energy) unexpectedly edged up to +3.3% from the +3.2% recorded during the previous two months.

The minutes from the September Federal Open Market Committee (FOMC) meeting revealed uncertainty ahead of its decision to cut the target range for Fed Funds[1] by 50 basis points (bps)[2]. While this was the first reduction in borrowing costs since March 2020, the Fed noted that the 50bps reduction should not be interpreted as evidence of a less favourable economic outlook or as a signal that the pace of policy easing would be more rapid than participants' assessments of the appropriate path.

Since then, there have been several events that might influence the future path of US interest rates. First, very weak October employment numbers (just +12,000 jobs with a material downward revision to September) although these were likely distorted by hurricanes and strikes in the US. While suggesting a weaker labour market, unemployment remained at 4.1% while consumer confidence came in at 108.7 (the largest m/m increase since 2021).

More importantly, Donald Trump achieved a resounding victory in the US presidential election, while the Republican Party looks likely to have achieved a so-called 'clean sweep' (presidency as well as controlling both the Senate and House of Representatives). This was received well by equity markets and the US dollar, delighted by a decisive outcome and a pro-business/anti-regulatory policy agenda which should be supportive for corporate investment and capital deployment.

Lower US tax rates and a potentially stronger dollar may also boost inbound investment. On the negative side, higher bond yields reflect the upside risk to budget deficits, inflation and potential tariffs, especially on Chinese imports. This may also have implications for monetary policy (fewer interest rate cuts than previously anticipated) but net, and against a stronger economic backdrop, this should be highly supportive of equities.

Sector review

The technology sector marginally outperformed the broader market in October; the Dow Jones Global Technology Net Total Return Index (W1TECN) returned +3.5% in sterling terms.

Large-cap technology stocks outperformed their small and mid-cap peers, the Russell 1000 Technology Index (large cap) and Russell 2000 Technology Index (small cap) returning +4% and +2.7% respectively. The Philadelphia Semiconductor Index (SOX) declined -0.3%, while the NASDAQ Internet Index and Bloomberg Americas Software Index returned +4.3% and +2.2% respectively.

Against an uncertain backdrop ahead of the US presidential election, AI (artificial intelligence) strength continued. In the semiconductor sector, Taiwan Semiconductor Manufacturing Company (TSMC) posted a very strong 'beat and raise[3]' quarter with strength in both gross and operating margins. TSMC now expects c30% y/y growth in 2024 and management noted Chip-on-wafer-on-substrate (CoWoS[4]) demand far exceeds its ability to supply, even after doubling capacity this year. CoWoS supply is expected to double again next year, although this will "still not be enough".

Leading High Bandwidth Memory (HBM) manufacturer SK Hynix also posted a very strong quarter, growing revenue 94% y/y and posting a record operating profit. Results from Advanced Micro Devices (AMD) were in line with expectations and the company increased its expected sales of AI graphics processing units (GPU) for 2024 to >$5bn, up from >$4.5bn last quarter and >$2bn at the beginning of the year. However, this was offset by a sluggish recovery in its non-AI businesses which weighed on the stock. Semiconductor chip maker Monolithic Power Systems delivered a beat and raise quarter due to broad-based strength; however the shares were weak after its AI power segment was flattish quarter on quarter (q/q), despite growing 86% y/y.

In semiconductor capital equipment, ASML Holding delivered a Q3 order number well below consensus expectations and reduced its 2025 revenue guide. Both Intel* and Samsung Electronics* are struggling with their foundry businesses and it seems have now begun to reduce equipment spending.

In contrast, ASM International posted a solid quarter. The company sees revenues growing >20% in 2025 and 2026 as spending on the most advanced nodes and transistor technologies appears robust. Similarly, KLA beat and guided above analyst expectations, citing leading-edge technologies driving strong process control demand. In Japan, Advantest beat strongly with revenues +37% y/y and raised guidance above expectations on AI/GPU tester strength. Longer GPU test times, NVIDIA's Blackwell chip as well as ASICs and AI smartphones should continue to support demand next year. Meanwhile, Disco had a slight Q2 shipments miss but strong sales, operating profit and margins. The company expects continued growth in HBM shipments while advanced packaging has emerged as an additional driver with CoWoS tool demand accelerating in the second half.

In hardware, Amphenol saw strong growth and orders driven by IT and data communications (datacom). This was underpinned by continued acceleration in demand for AI-exposed products and robust growth in data centres. Management expects mid-single-digit sequential growth in Q4 taking IT and datacom sales up >50% in 2024. Despite weakness elsewhere, automotive sales proved robust, increasing 4% q/q.

Apple results were largely in line with a modest iPhone upside offsetting a 2% miss in its services business. Next quarter revenue guidance of low-to-mid single digit was slightly below consensus expectations of c7%. The recently rolled out Apple Intelligence saw an install rate over the first three days twice that of iOS 17.1, but it is unclear if this will be a catalyst for an accelerated iPhone upgrade cycle.

In the internet sector, Meta Platforms' revenues grew 20% y/y and the company guided expectations for Q4 revenues towards the high end of the range. Margins were healthy, c3% above expectations, while the company lowered its operating expenditure guide. Improvements to the company's AI-driven feed and video recommendations have led to an 8% increase in time spent on Facebook and a 6% increase on Instagram this year alone. Meta Platforms now expects capex spending of $38-40bn in 2024 to support its AI infrastructure buildout, with investors said to be anticipating close to $60bn in 2025.

Amazon beat expectations for operating profit driven by regionalisation efforts, lower cost to serve as well as efficiency gains. Amazon Web Services' (AWS) growth was lower than expected at +19% y/y, but management noted that generative AI (GenAI) is now a multi-billion run-rate business growing triple digits – three times as fast as AWS achieved at the same stage of development during the cloud era. Alphabet results were solid, in line with expectations across Search and YouTube, while GCP (Google Cloud Platform) growth impressed at +35% y/y. The stock was further supported by comments from the new CFO, who articulated plans to drive further efficiencies and fund more AI investment (Alphabet's capex will increase again in 2025).

Netflix delivered another reassuring set of quarterly results, adding five million net new subscribers and growing revenues 15% y/y. Margins were strong and management see significant operating leverage in the business. Netflix still only captures less than 10% of viewing time, so management believes there is still a significant addressable market ahead.

In the software sector, Microsoft beat consensus expectations for revenue by 2% and earnings per share (EPS) by 6%, but the stock was weak after a lacklustre guide for its Azure cloud business and the higher than anticipated 'Other Income' losses from its OpenAI investment. Microsoft expects its AI business to reach >$10bn in annual revenue run rate next quarter, the fastest business in its history to reach this milestone. ServiceNow results were robust with Q3 bookings growth ahead of expectations. The company also gave further disclosures around AI product contribution with Annual Contract Value at $90-100m, up from c$30m in the previous quarter.

In automotive, Tesla posted a stronger than expected quarter with gross margins ex-credits at 17.1%, well above consensus expectations of 14.9%. The company expects to achieve slight growth in vehicle deliveries during 2024 despite challenging macroeconomic conditions, while energy storage deployments are set to more than double y/y. Most importantly, Tesla said plans for new vehicles remain on track, including starting production of a more affordable model during 1H25.

Outlook

While a new US regime necessarily involves policy uncertainty (and in this case, higher risks associated with the fiscal deficit, inflation and geopolitics), we remain hopeful that these are unlikely to derail the economy or challenge the favourable AI investment backdrop. For now, the US economy remains robust with annualised real GDP growth at c2.5-3% and core PCE (personal consumption expenditure) at c2.5%, which should be a supportive backdrop for risk assets. Measures of wage inflation also appear benign, including the US Employment Cost Index (ECI) which rose +0.8% in Q3, the lowest increase since 2Q21.

Although we expect the Fed to adjust policy should the labour market weaken significantly, it may pause ahead of potentially more stimulative US policy and the prospect of (inflationary) import tariffs. Indeed, the terminal rate (the anticipated bottom of the current Fed interest rate cutting cycle) has increased from c275bps following the 50bps first cut, to c350bps prior to the election and may increase further with a new US policy agenda.

The Trust continues to invest a small amount in out of the money NDX put options[5] to soften the excess portfolio beta[6] that comes with our growth-centric investment approach in the event of a sharp market setback. While there is considerable uncertainty related to Trump's staccato approach to international relations, there is also greater potential for the 'resolution' of outstanding conflicts in Ukraine and Israel that could yield significant peace dividends for markets.

Third quarter results season has been solid, although stock reactions have proved more mixed. In part, this may reflect high expectations, as well as a lack of upside in AI enablers. While NVIDIA's Blackwell chip is said to be seeing "insane" demand according to CEO Jensen Huang (a view supported by supply chain data points and hyperscaler capex increases), production has only just begun to be ramped, following its high profile delay. Sell-side estimates had originally 'baked in' production beginning in Q3, resulting in a lack of significant upside surprises to date. Despite this, all of the so-called Magnificent Seven[7] stocks managed to exceed estimates during Q3 while most should enjoy AI-fuelled tailwinds next year.

In the meantime, we are increasingly confident that 2025 will see further upside, helped by aggressive AI capital expenditure focused on building out AI infrastructure at Microsoft ($20bn in the quarter, +79% y/y), Meta Platforms ($9.2bn, +36% y/y), Amazon ($22bn, +81% y/y) and Alphabet ($13.1bn, +62% y/y). Despite increased spending, both Microsoft and Amazon referenced capacity constraints as hampering current AI demand. In aggregate, capital spending for these companies should exceed $300bn next year, +25% y/y and a near-doubling from 2023 levels, according to Morgan Stanley. In fact, Morgan Stanley also estimates that since the end of 2023 expectations for cloud capex in 2025 have risen by $67bn or by 30%, with Amazon +28%, Microsoft +38%, Alphabet +47%, Meta Platforms +33% and Oracle +56% – which has emerged as the fifth largest spender, exceeding Apple.

While some investors are concerned about the return on investment associated with such rapid growth (and remarkable absolute dollar numbers), these are well-funded, high-RoIC (return on invested capital) businesses with billions of users. As such, we take confidence in their clear excitement and willingness to invest in AI at scale. The early indications regarding the return on the increased spend are positive. Since the end of 2022 (ChatGPT launched in November 2022), aggregate hyperscaler capex has risen by $93bn while their aggregate cloud revenue backlog has increased by $184bn, according to Jefferies.

AI adoption continues at a rapid pace in the business and consumer realms. A Wharton study on 800 US enterprises found weekly AI usage among business leaders surged from 37% to 72%; Perplexity – an AI-powered Answer Engine and potential Google disruptor – disclosed it is now serving 100 million search queries a week, equivalent to c400 million per month, up from 250 million monthly queries in July. At the same time, Open AI weekly active users jumped from 200 million in August to 250 million in September. Together, this suggests very rapid adoption and significant changes in consumer behaviour with widespread longer-term implications. All this before Blackwell and new more powerful models that are expected soon.

It is also notable that despite extraordinary growth and scale of capital investment to go after the AI opportunity, headcount growth has been much more muted (Microsoft +2% organic, Amazon -3%, Alphabet -1%, Meta Platforms +9%). This reflects a continuation of the 'efficient growth' theme that many technology companies have adopted following the Covid/zero interest rate policy era, as well as the early impact of AI on internal operations. For example, Alphabet's management noted that >25% of the new code written at Google is being written by GenAI tools and Amazon noted GenAI "success in cost avoidance and productivity". This, along with continued robust growth, has driven near-term EPS upgrades and speaks to the potential for significant further operating leverage ahead. The businesses themselves continue to perform well with the combined cloud revenue run rate above $220bn and aggregate revenue growth accelerating to +26% from +25% last quarter.

We have returned the Trust to a more fully-invested position with a constructive stance supported by favourable post-election/year-end seasonality. We expect accelerating AI adoption during 2025 with productivity benefits becoming more obvious to all, supporting continued investment. Elon Musk is likely to exert a positive influence on US policy to ensure it remains a global leader in AI. There is of course uncertainty regarding tariffs, but we believe the Taiwanese/Japanese AI supply chains are too important to US ambitions in AI for anything notable to change near term. The market and technology sector reaction to a decisive election result and pro-business/low-tax policy shift is encouraging. The clarity this provides should allow CEO confidence to grow and investment to resume, with the associated benefit to the US economy outweighing any temporary headwind from tighter financial conditions/higher bond yields.

* not held

Ben Rogoff & Alastair Unwin

8 November 2024

[1] The overnight lending rate among US banks

[2] A common unit of measure for interest rates and other percentages in finance. One basis point equals 0.01%

[3] Beating expectations and raising its own outlook

[4] Chip on Wafer on Substrate: an advanced way of combining and connecting different semiconductor chips to make processors much faster and more efficient

[5] An out of the money put option on the NASDAQ 100 Index (NDX) allows a holder the right to sell the Index at a specified ('strike') price before or on a certain expiration date

[6] A measure of a stock's volatility compared to the market/ an index; the market/index has a beta of 1 with each stock rated at +/-1 in comparison

[7] Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta Platforms and Tesla

Risks

- **Investors' capital is at risk and there is no guarantee the Company will achieve its objective.**
- **Past performance is not a reliable guide to future performance.**
- **The value of investments may go down as well as up.**
- **Investors might get back less than they originally invested.**
- **The value of an investment's assets may be affected by a variety of uncertainties such as (but not limited to): (i) international political developments; (ii) market sentiment; and (iii) economic conditions.**
- **The shares of the Company may trade at a discount or a premium to Net Asset Value.**
- **The Company may use derivatives which carry the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions.**
- **The Company invests in assets denominated in currencies other than the Company's base currency and changes in exchange rates may have a negative impact on the value of the Company's investments.**
- **The Company invests in a concentrated number of companies based in one sector. This focused strategy can lead to significant losses. The Company may be less diversified than other investment companies.**
- **The Company may invest in emerging markets where there is a greater risk of volatility than developed economies, for example due to political and economic uncertainties and restrictions on foreign investment. Emerging markets are typically less liquid than developed economies which may result in large price movements to the Company.**

Glossary

Active Share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its benchmark. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the benchmark. An active share of 100 indicates no overlap with the benchmark and an active share of zero indicates a portfolio that tracks the benchmark.

Alpha is the excess return on an investment in the Company compared to the benchmark and can be used as a measure of performance, where the benchmark is considered to represent the market's movement as a whole.

Call Option This describes a contract between the buyer and seller of an asset, which gives the buyer the right to purchase the underlying asset at a specified price within a specified time period.

Delta This is a ratio used to compare the change in price of an asset with the change in price of an option or derivative. It is often used to determine how many options contracts are needed to hedge a long or short position in the underlying asset.

Delta Exposure/Delta-Adjusted Exposure This measures the price sensitivity of an option or portfolio to changes in the price of an underlying security. For an option, the delta exposure is equal to the delta of the option multiplied by the price of the underlying security. For example, if a portfolio contains 10 call options on a stock, each with a delta of 0.5, and the stock currently trades at £100, then the delta exposure of each option is £50 (0.5 x £100) and the delta exposure of all 10 options is £500.

Derivates are instruments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

Discount is where the share price of an investment company is lower than the net asset value per share.

Discrete Performance is the percentage performance of an investment over specific, defined time periods.

Emerging markets are countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

Gearing is all external borrowings of the Company and any subsidiaries.

Management Fee is the entitlement of the Investment Manager to an annual management fee. Please see the Explanation of Fee Arrangements available on the Company's website for further information, found at: https://www.polarcapitaltechnologytrust.co.uk/Corporate-Information/Overview/

"NAV" or **"Net Asset Value"** has the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Company's accounting policies, applicable accounting standards and the Company's constitution.

Ongoing Charges are the measure of what it costs to run the Company, including the Management Fee and other operating costs; these costs are not passed on to investors in the price they pay for the shares of the Company.

Premium is where the share price of an investment company is higher than the net asset value per share.

Premium Value (options trading) This is the current market price of an option contract. The premium will generally be greater given more time to expiration or greater implied volatility.

For a complete glossary of investment terms, please refer to the Trust's website: https://www.polarcapitaltechnologytrust.co.uk/Glossary/

Important Information

Not an offer to buy or sell This document is not an offer to buy or sell or a solicitation of an offer to buy or sell any security, and under no circumstances is it to be construed as a prospectus or an advertisement. This document does not constitute, and may not be used for the purposes of, an offer of the securities of, or any interests in, the Company by any person in any jurisdiction in which such offer or invitation is not authorised.

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Performance and Holdings All data is as at the document date unless indicated otherwise. Company holdings and performance are likely to have changed since the report date. Company information is provided by the Investment Manager.

Benchmark The Company is actively managed and uses the Dow Jones Global Technology Index (total return, Sterling adjusted) as a performance target. The benchmark is considered to be representative of the investment universe in which the Company invests. The performance of the Company is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found at: https://www.spglobal.com/spdji/en/indices/equity/dow-jones-us-technology-index/#overview.

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