



Trust Fact Sheet

Ordinary Shares

Share Price	2685.00p
NAV per share	3002.67p
Premium	-
Discount	-10.58%
Capital	122,088,952 shares of 25p*

*Excluding Ordinary shares held in treasury

Assets & Gearing¹

Total Net Assets	£3,666.2m
AIC Gearing Ratio	n/a
AIC Net Cash Ratio	3.17%

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	0.81%

Fund Managers



Ben Rogoff
Partner

Ben has directed the Trust since 2006, he joined Polar Capital in 2003 and has 28 years of industry experience.



Alastair Unwin
Deputy Manager

Alastair became Deputy Manager in 2023, he joined Polar Capital in 2019 and has 12 years of industry experience.

Nick Evans

Partner

Xuesong Zhao

Partner

Fatima Iu

Partner

Paul Johnson

Investment Analyst

Nick Williams

Investment Analyst

Patrick Stuff

Investment Analyst

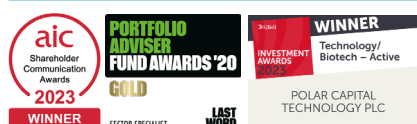
Fred Holt

Investment Analyst

Lina Ghayor

Investment Analyst

Fund Awards



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

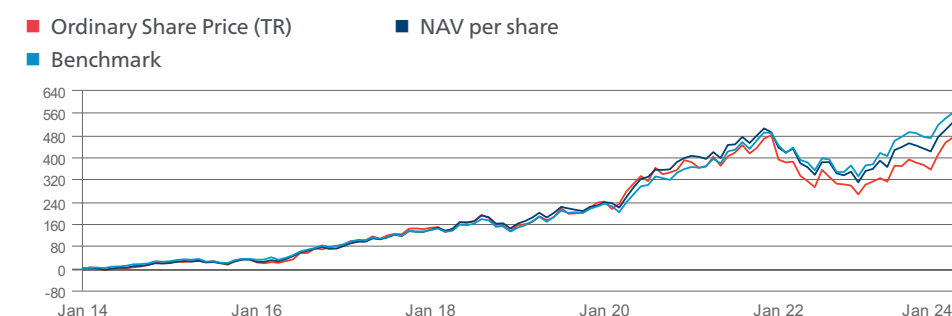
The Company invests its technology assets in a portfolio comprised primarily of international quoted equities which is diversified across both regions and sectors within the overall investment objective to reduce investment risk.

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)	3.47	25.17	3.47	42.06	18.28	123.75	471.28
NAV per share	4.37	19.69	4.37	38.41	23.47	138.77	524.59
Benchmark	3.18	15.94	3.18	40.07	41.69	167.16	560.20

Discrete Annual Performance (%)⁴

	Financial YTD	31.01.23 31.01.24	31.01.22 31.01.23	29.01.21 31.01.22	31.01.20 29.01.21	31.01.19 31.01.20
Ordinary Share Price (TR)	38.40	42.06	-18.32	1.94	41.70	33.50
NAV per share	34.10	38.41	-15.70	5.83	49.23	29.58
Benchmark	30.74	40.07	-13.28	16.65	39.60	35.07

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. Further details can be found under Corporate Documents of the Company's website: <http://www.polarcapitaltechnologytrust.co.uk>.

3. Ongoing charges are calculated at the latest published year end date, and exclude any performance 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 January 2024

Top 10 Positions (%)

Microsoft [^]	10.2
NVIDIA	8.4
Apple [^]	6.6
Alphabet	5.6
Advanced Micro Devices	4.1
Meta Platforms (Facebook)	4.0
TSMC	2.7
Amazon	2.5
ASML Holding	2.0
Samsung Electronics	1.8
Total	48.0

[^]The Trust may hold call and/or put options for Efficient Portfolio Management. The Microsoft position reflects an equity holding of 9.18% with the remainder explained by a call option with delta-adjusted exposure of 1.05% and premium value of 0.07% at month end. The Apple position reflects an equity holding of 6.29% with the remainder explained by a call option with delta-adjusted exposure of 0.28% and premium value of 0.01% at month end.

Total Number of Positions 101

Market Capitalisation Exposure (%)

Large Cap (>US\$10 bn)	89.5
Mid Cap (US\$1 bn - 10 bn)	9.8
Small Cap (<US\$1 bn)	0.7

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	1.2735
GBP/EUR	1.1723
GBP/JPY	186.1466

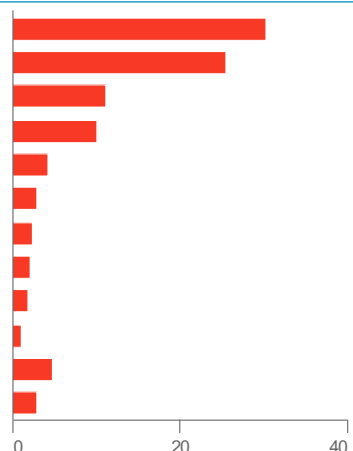
Codes

Ordinary Shares

ISIN	GB0004220025
SEDOL	0422002
London Stock Exchange	PCT

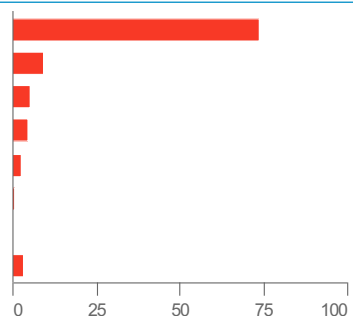
Sector Exposure (%)

Semiconductors & Semiconductor Equip.	30.4
Software	25.7
Interactive Media & Services	11.1
Tech. Hardware, Storage & Periph.	10.2
IT Services	4.2
Electronic Equipment, Instruments & Components	3.0
Broadline Retail	2.5
Entertainment	2.1
Communications Equipment	1.8
Machinery	1.0
Other	4.9
Cash	3.0



Geographic Exposure (%)

US & Canada	73.7
Asia Pac (ex-Japan)	9.6
Japan	5.6
Europe (ex UK)	4.7
Middle East & Africa	2.4
UK	0.7
Latin America	0.3
Cash	3.0



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

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

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

Fund Managers' Comments

- January saw the market push out expectations of the first US interest rate cut, which put pressure on yield-sensitive subsectors
- A positive month for the technology sector as AI continued to hold investors' interest
- Early signs of generative AI adoption bolsters our conviction that it could provide a powerful long-term secular tailwind

Market review

Global equity markets continued to grind higher in January. The MSCI All Country World Net Total Return Index and the S&P 500 reached new all-time highs during the month, gaining +0.9% and +2% respectively. The DJ Euro Stoxx 600 Index returned -0.1% (all returns are in sterling terms).

Risk sentiment was more muted than in 4Q23, as the market-implied odds of a rate cut by the Federal Reserve (Fed) in March declined notably due to sustained economic strength. However, the disinflation process remains broadly on track and economic data is still supportive of a soft landing, (where inflation moderates without a severe increase in unemployment). US real gross domestic product (GDP) surprised to the upside and increased at an annual rate of 3.3% in 4Q23, well ahead of the 2% forecasted. The labour market was firmer too, with 216,000 jobs added in December, up from 173,000 in November, driven by continued strength in healthcare and government sectors.

The US Consumer Price Index (CPI) increased +0.3% month-on-month (m/m) in December (above forecasts of +0.2%) driven by higher shelter costs. The annual inflation rate was +3.4% year-on-year (y/y), accelerating from +3.1% y/y in November, but well below peak levels. Core CPI, which excludes volatile items such as food and energy, decelerated to +3.9% y/y, a two-and-a-half year low. Geopolitical risks remained elevated as Houthi rebels attacked ships in the Red Sea; Brent crude oil prices responded, increasing +5.6% during the month.

As widely anticipated, the Federal Open Market Committee (FOMC) unanimously voted to leave the Fed funds rate unchanged at 5.25-5.5% for a fourth consecutive meeting in January. The FOMC statement tempered the dovish (supportive of lower interest rates) message in December, noting that the Fed "does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%." Fed Chair Jerome Powell also tempered expectations for a March rate cut, which he described as "probably not the most likely case".

Technology review

The technology sector significantly outperformed the broader market in January, as investors increased their exposure to artificial intelligence (AI). The Dow Jones Global Technology Net Total Return Index gained +3.2%.

A positive start to fourth quarter earnings season has provided a tailwind for the sector, but the standout takeaway so far has been how universally robust AI-related data points have been. 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) returned +4.2% and +0.4% respectively. In terms of subsector returns, the Philadelphia Semiconductor Index (SOX) returned +2.4%, while the NASDAQ Internet Index and Bloomberg Americas Software Index returned +2.7% and +4.9% respectively.

Fourth quarter earnings season began in earnest mid-month. In the software sector, ServiceNow delivered strong results driven by success with large customers (deals worth >\$1m were +33% y/y). 2024 subscription revenue growth and operating margin guidance were raised moderately. The CEO was enthusiastic about the company's

generative AI-enabled Pro+ product, which has seen strong adoption from customers, and claimed "ServiceNow is having its NVIDIA moment in software". SAP also reported a strong quarter, highlighting strength with large customers and AI as a significant future opportunity akin to cloud computing.

Microsoft delivered another good quarter against high expectations. Their cloud business Azure's growth was stable at +28% y/y in constant currency¹ (cc), one percentage point (ppt) above the high end of guidance. Notably, 6ppts of this growth came from AI up from 3ppts last quarter and 1ppt in the June quarter, a larger contribution than expected. The downside was that this implied the 'non-AI' business slowed further (expected AI spend is not all incremental at this stage), despite the CEO commentary that the worst of customer optimisations is over. Azure growth is expected to remain steady in the March quarter, supported by 53,000 Azure OpenAI customers (+35,000 quarter-on-quarter; q/q). Management noted Microsoft 365 Copilot is seeing much faster adoption than Microsoft's E3 or E5 suites did post-launch, but guidance for Office 365 commercial revenue to grow only +15% y/y cc next quarter underwhelmed on the monetisation timeline.

The software sector also saw the return of 'strategic' M&A with Synopsys's \$35bn takeover bid for Ansys*. The deal is valued at 13.5x forward sales or 43x EV/free cashflow and includes a \$19bn cash component. There was also speculation regarding private equity interest in smaller/more-troubled software businesses including DocuSign*, Twilio* and PagerDuty*.

In the internet sector, we reduced our position in Alphabet after a mixed print, with revenue slightly ahead of expectations but operating income below. Search and YouTube delivered accelerating double-digit growth, but this did not meet elevated investor expectations after upbeat advertising channel checks. Management also referred to the "large base" of ad revenues, suggesting caution about future growth. Encouragingly, Google Cloud Platform (GCP) grew +26% y/y, well above forecasts of +22% y/y, driven by slowing optimisation efforts alongside continued traction in AI-related cloud services. Management reiterated their commitment to "re-engineer our cost structure in a durable way." However, capital expenditure is expected to be notably larger in 2024 than 2023, which reflects the urgency of the generative AI infrastructure build. While we still see potential for solid growth/returns here, we see better opportunities elsewhere and as such continue to reduce exposure.

Amazon reported strong revenue and operating profit, with upside to forecasts driven primarily by the retail and advertising businesses. Amazon Web Services (AWS) revenue growth accelerated to +13% y/y cc (from +12% y/y cc in 3Q23), in line with expectations, reflecting continued slowing of cost optimisations as customers reaccelerate their migrations to the cloud. Meanwhile, Amazon cited progress with its burgeoning generative AI efforts, including several large enterprises using Amazon's generative AI chips (Airbnb*, Snap* and others) and thousands of customers deploying Bedrock (a managed service that makes large language models (LLMs) from Amazon and leading AI startups available through an application programming interface) only a few months after its release.

Meta Platforms (Facebook) delivered a very strong print, with revenue +22% y/y cc, driven by strong demand in key segments (e-commerce, consumer packaged goods and gaming), particularly from Chinese advertisers spending on international expansion, as well as healthy messaging and video monetisation trends. Guidance was solid, suggesting continued momentum. The company has already leveraged generative AI to roll out its Meta AI assistant and other AI-enabled chat

experiences in the US and is testing more than 20 AI features within its family of apps. Capital expenditure guidance was raised from \$30-35bn to \$30-37bn, largely due to a big investment in AI infrastructure and GPUs (graphics processing units) which is directionally positive for suppliers including NVIDIA, Advanced Micro Devices (AMD) and Arista Networks. The company also announced another \$50bn share repurchase programme and its first ever quarterly dividend. We added to our position following results given the improving AI narrative.

Netflix rallied after reporting better-than-expected results. The company added 13.1 million paying subscribers in the quarter, taking the total to 260.9 million. Management expects to deliver “healthy double-digit” constant currency revenue growth in 2024 and raised their operating margin outlook, driven by ongoing tailwinds from paid sharing, adjustments to pricing, further scaling of the advertising business and continued improvement of the content slate (including a recently signed exclusive agreement with the WWE franchise) while peers pull back.

Turning to semiconductors, Taiwan Semiconductor Manufacturing Company (TSMC) delivered better-than-expected results and guidance. The company anticipates a return to y/y growth in 1Q24 and “healthy growth” in 2024 with revenue growing 20-25% y/y (compared to the total semiconductor industry, ex-memory, at >10% y/y growth), benefiting from high-performance computing/AI demand. TSMC did not reveal the size of the AI-related business in the quarter, but management continues to expect a 50% compound annual growth rate (CAGR) here through 2027.

TSMC’s guidance for capital expenditure to be \$28-\$32bn in 2024 was in line with expectations supporting semiconductor production equipment manufacturers. ASML Holding reported solid headline results, with 2024 still expected to be a “transition year” with revenue unchanged y/y. However, bookings were exceptionally strong in the quarter (€9.2bn, well above market forecasts at €3.6bn), underpinning growth in 2025.

AMD also rallied during the month along with other AI-exposed holdings like Disco and Advantest. AMD reported quarterly results that were broadly in line with consensus expectations. Importantly, the company reported a faster-than-expected ramp for its MI300 processor designed for AI workloads, and now expects data centre GPU revenues to exceed \$3.5bn in 2024 (raised from prior guidance of \$2bn), a number we, and most investors, would expect to be comfortably exceeded given the company’s prior track record of setting conservative external goals (and supply chain preparations for higher levels). AMD highlighted engagements across cloud, enterprise and high-performance computing customers for inferencing as well as training workloads.

AMD’s commentary about end-market weakness (excluding AI demand which remains strong) was echoed by Intel*, which issued disappointing 1Q24 guidance. Macroeconomic headwinds likely played a part, but also budget cannibalisation as companies prioritise spend on AI servers. There may well also be some potential pause ahead of AI-enabled notebook/PC refreshes which we expect to pick up pace as more AI-ready devices are available in the second half of the year (and ahead of Windows 12 which will embed more AI capabilities but with AI-specific hardware requirements that most current PCs do not meet).

The Trust’s holdings in Monolithic Power Systems and Lattice Semiconductor were weak in January given concerns around broader industrial and automotive weakness, which were supported by incremental negative commentary from Texas Instruments*, Microchip* and Mobileye* about excess inventory. This is to be expected as,

given these segments are macro-sensitive and were the last into the downturn, they will most likely be slowest to recover.

We reduced our position in Tesla both ahead of and after a downbeat earnings Q4 report. Management gave imprecise guidance for volume growth to be “notably lower” in 2024 than it was in 2023. In addition to macroeconomic headwinds, the company is “between two major growth waves” ahead of the more mass-market priced Model 2 launch in late 2025. Auto gross margin (ex-regulatory credits) was up q/q, but there have been price cuts in China and Europe since, while cost reduction is “approaching its natural limit” for the Model 3/Y. More positively, the company is rolling out full self-driving (FSD) v12 – its first autopilot based on an end-to-end neural net approach – to customers in North America in the coming weeks.

Apple (underweight; u/w) underperformed during the month. The company lowered app store fees and opened near field communication (NFC) payment capabilities to third-party vendors in Europe in response to the Digital Markets Act. It was also impacted by soft channel checks as well as concerns about a resurgence from Huawei* (private) in China, a tougher macro backdrop here and a desire (encouraged by the government) to support domestic brands. Post month-end, Apple reported solid quarterly results, but next quarter guidance was lower than expected, in part due to weakness in China. For now, the Trust has a materially smaller position in Apple than recently, in part due to lacklustre growth but also because of their uncertain generative AI strategy. We hope their June developers’ conference gives more clarity on this.

Outlook

The technology sector’s 2023 return was defined by its narrowness, with the six largest companies (Apple, Microsoft, Alphabet (Google), Amazon, NVIDIA and Meta Platforms (Facebook)) incredibly delivering >80% of the sector’s relative return.

However, it is worth noting that despite a strong 2023, the ‘Magnificent Seven’ have only modestly outperformed the broader market (S&P 500) since the start of 2022 (+23% versus +12%), with most of the returns being driven by sales growth over this period. It is also important to note that the biggest driver of 2023 returns was a reversal of the price-to-earnings (P/E) multiple compression in 2022, when the group fell almost -39%. The Magnificent Seven group is now trading at 30x forward earnings versus the ‘S&P 493’ trading at 18x, reflecting their very different growth profiles: c12% three-year forward revenue CAGR for the Magnificent Seven compared to 3% for the rest of the index. The premium also reflects unknowable (but credible) upside from AI, which is also contributing to the wider S&P 500 IT Sector’s 45% premium to the S&P 500.

Bond yields declined significantly in November and December, which presaged a strong rally and market broadening. So far in 2024, yields have moved higher once again with large-cap technology outperforming: the Goldman Sachs Mega-cap TMT Index returned +7.1% in January (+17.7% year-to-date after Meta Platforms (Facebook) and Amazon’s strong results), despite Tesla’s -24.4% return. With the tailwind of multiple expansion behind them, we expect more solid returns from the group in 2024, more in line with the respective underlying growth rates; this should allow for broader participation and a more supportive backdrop for stock selection. For this reason, we have begun to use selected mega-cap stocks (largely Apple, Alphabet and Samsung Electronics) as a source of funds for other investments where we believe the risk/reward is potentially more compelling.

Longer-duration stocks (which are most sensitive to changes in bond yields) suffered most year-to-date, with the ARK Innovation ETF down -13% and Goldman Sachs Non-Profitable Tech Index -11.8%. The same goes for Chinese stocks (China Internet ETF -13.3%) caught between

weak growth, government regulatory concerns and US restrictions. Electric vehicle (EV) and solar/green stocks also continue to struggle, in part due to the backdrop of higher interest rates but also looming US elections and the potential for Trump policies to weigh further on some of these areas. While we are constructive on some of these trends longer term, we do not see anything likely to change the softer outlook in the near term.

Meanwhile, the AI super-trend continued to be an important positive driver for returns, with Morgan Stanley's AI Basket up +8.9% during the month, led by NVIDIA (+24.7%). The Trust outperformed despite the headwinds from a narrower market given its exposure to the enablers and beneficiaries of AI (which account for >80% of the portfolio). In addition, the Trust now has minimal exposure to some weaker areas including EVs (slowing demand due to interest rates, declining resale values, battery life concerns and exacerbating competition), clean technology (interest rates and competitive headwinds) and China (weak growth and US export controls) having materially reduced exposure across all three areas in the second half of last year.

At the half-way point, earnings season has so far been solid against a conservative bar. Earnings beats (6ppts) have been significantly larger than revenue beats (0.7%) as companies keep a tight handle on costs and c50% of reporting S&P 500 companies have beaten on both metrics. Reactions to beats (+140bps) have been in line with historical averages, whereas misses have been punished (-430bps versus -220bps historical average). Within the technology sector, aggregate public cloud revenue growth reaccelerated for the first time in 10 quarters (to 21% at >\$200bn scale) as optimisation activities wane and new projects ramp up once again. Company commentary suggests larger new projects are finally returning following a challenging 12-18 months and AI is already proving an important catalyst.

Importantly, early data points regarding the adoption of AI products appear very encouraging.

The largest application software providers such as Microsoft, ServiceNow and Adobe Systems have seen the fastest new product adoption in their history for their AI products. ServiceNow's CEO spoke of AI "injecting new fuel into our already high-performing growth engine" and Microsoft are moving "from talking about AI to applying AI at scale by infusing AI across every layer of our tech stack".

Cloud growth is increasingly being driven by AI. Microsoft added 35,000 Azure OpenAI customers last quarter (+200% q/q) and called out a 600bps contribution to Azure cloud's 28% revenue growth from AI, up from 300bps in September and 100bps in June. Amazon's AWS generative AI revenues "are accelerating rapidly" and "will ultimately drive tens of billions of dollars of revenue from Amazon over the next several years".

IT services companies have seen an inflection in demand for generative AI work (in many cases helping companies lay the 'digital groundwork' for widespread adoption). Accenture* sold \$300m of generative AI projects in their most recent fiscal year, rising to \$450m in just the first quarter of the current year.

Perhaps most significant as a leading indicator, all major cloud companies (Meta Platforms (Facebook), Amazon, Microsoft and Google (Alphabet)) raised their capital expenditure expectations for the year, with the incremental capital spending being focused on AI (as well as continued reallocation of existing budgets towards AI).

Semiconductor stocks are starting to see the inevitable benefit of this improved spending backdrop, with obvious beneficiaries such as NVIDIA, AMD and TSMC all experiencing very strong AI-related demand. Importantly, as the year progresses we expect many more companies to benefit from this demand as new products at NVIDIA and AMD ramp up, capacity constraints at TSMC ease, custom silicon solutions ramp

up more meaningfully and eventually PC replacement cycles start to shorten driven by investment in AI on client devices (Edge AI). Some of this has already been captured in strong sector and Trust performance from late October lows, explaining why some of the better-understood AI stocks have not reacted more positively to this largely supportive news, but encouragingly where the upside was less widely anticipated stocks have reacted well.

While technology stocks, particularly those with an obvious AI tailwind, are not cheap they still look reasonable relative to their growth prospects. In our view, a valuation premium for the sector is warranted given we appear to be at an AI inflection point, and early in what is likely to be a long investment cycle. AI requires significant reinvestment in a new computing stack which is only just getting underway. The pace and sustainability of this trend will of course depend on resulting productivity gains and return on investment. The early signs are encouraging, both in terms of recent result commentary as well as our own experience of several packaged software tools embedding generative AI that we are using to enhance our stock-screening and research capabilities.

The broader impact of generative AI remains incredibly hard to forecast, especially when, as with most new technology cycles, many of the largest new applications are yet to be identified. The potential to unlock both large new markets and significant productivity gains for the broader economy should not be underestimated. While the initial impact will undoubtedly be gradual, we believe generative AI will be by far the most important theme for investors to get right in the years ahead.

During the early phase of this platform shift, we are focusing on the enablers of AI in the semiconductor and cloud computing subsectors. We continue to invest in selected software and internet companies, adopting a diversified approach because it is not yet completely clear which application software companies win from generative AI, how generative AI applications will work or how a new AI server/compute stack impacts the infrastructure software segment. A new computing stack brings the potential for massive upside surprises as winning technologies and suppliers emerge, and we believe there are interesting opportunities to uncover some less well-known stocks in the Asian supply chain as well as potential disruption to legacy suppliers.

To conclude, the Trust remains fairly fully invested, largely due to our conviction in the powerful secular tailwind associated with generative AI. The macro backdrop appears supportive with inflation and rates set to trend down as the economy slows due to the lagged effects of tightening. There will undoubtedly be speed bumps along the way, perhaps in the form of AI regulation, tightening of US export controls or additional tariffs and elevated geopolitical risk translating into conflict. However, there are equally significant opportunities ahead and as *Investors Business Daily* suggested recently "this is becoming a lockout market rally. If you're lightly invested, it's not easy to add exposure, especially in the true leaders" which is where we believe a diversified portfolio of stocks exposed to these trends can continue to play an important role.

* not held

Ben Rogoff

9 February 2024

¹ Constant currency reporting is an accounting technique used by companies to present financials year-over-year for comparative purposes without the effects of currency movements.

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 specific 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 ($0.5 \times £100$) 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 invest in the Company, including the Management Fee and other operating costs.

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/>

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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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Further Information about the Company

Investment in the Company is an investment in the shares of the Company and not in the underlying investments of the Company. Further information about the Company and any risks can be found in the Company's Key Information Document, the Annual Report and Financial Statements and the Investor Disclosure Document which are available on the Company's website, found at: <https://www.polarcapitaltechnologytrust.co.uk>.