Polar Capital Technology Trust plc

Altering Everything:
AI and the New Compute Fabric

Annual Report & Financial Statements
For the year ended 30 April 2024

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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 through the Investment Objective and by applying the investment 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 54 to 56.

Management structure

The Company is an investment trust led by an experienced Board of Independent non-executive Directors with extensive knowledge of investment matters, and 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 Deputy Fund Manager, Alastair Unwin and a team of technology specialists. Polar Capital LLP is authorised and regulated by the Financial Conduct Authority.

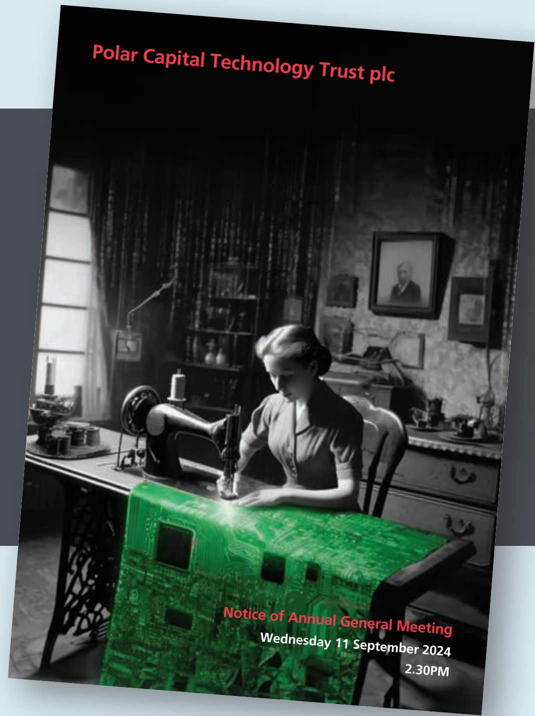
** These narrative statements form part of the Strategic Report section as required under The Companies Act 2006.*

Financial Highlights

Year ended 30 April 2024

Net Assets Per Ordinary Share Total Return[1]	Benchmark Total Return[2]	Share Price Total Return[1]
+40.8%	+38.9%	+50.5%
2023: -2.8%	2023: +2.9%	2023: -4.9%

1 Alternative Performance Measure, see pages 130 to 131.
2 Dow Jones Global Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes). See page 132 for further details.



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AGM: 11 September 2024 at 2:30pm

Please refer to the Notice of AGM available on our website.

Financial Highlights continued

Financial Summary

	As at 30 April 2024	As at 30 April 2023	Change % Year Ended 2024	Change % Year Ended 2023
Total net assets	£3,804,533,000	£2,828,141,000	34.5%	(7.3%)
Net Asset Value (NAV) per ordinary share	3,154.11p	2,239.48p	40.8%	(2.8%)
Benchmark[1]	5007.08	3604.43	38.9%	2.9%
Price per ordinary share	2,920.00p	1,940.00p	50.5%	(4.9%)
Discount of ordinary share price to the NAV per ordinary share[2]	(7.4%)	(13.4%)		
Ordinary shares in issue[3]	120,621,569	126,285,544	(4.5%)	(4.6%)
Ordinary shares held in treasury	16,693,431	11,029,456	51.4%	122.4%

Key Data

	For the year to 30 April 2024 Local Currency %	For the year to 30 April 2024 Sterling Adjusted %
Benchmark[1]		
Dow Jones Global Technology Index (TR)	38.4	38.9
Other Indices over the year (total return)		
FTSE World	18.6	19.2
FTSE All-Share		7.5
S&P 500 Composite	22.7	23.3
Nikkei 225	35.6	17.8
Eurostoxx 600	11.9	9.0

Exchange Rates

As at 30 April	2024	2023
US$ to £	1.2522	1.2569
Japanese Yen to £	197.04	171.15
Euro to £	1.1711	1.1385

Expenses

For the year to 30 April	2024	2023
Ongoing charges ratio[2]	0.80%	0.81%
Ongoing charges ratio including performance fee[2]	0.80%	0.81%

Data supplied by Polar Capital LLP and HSBC Securities Services.

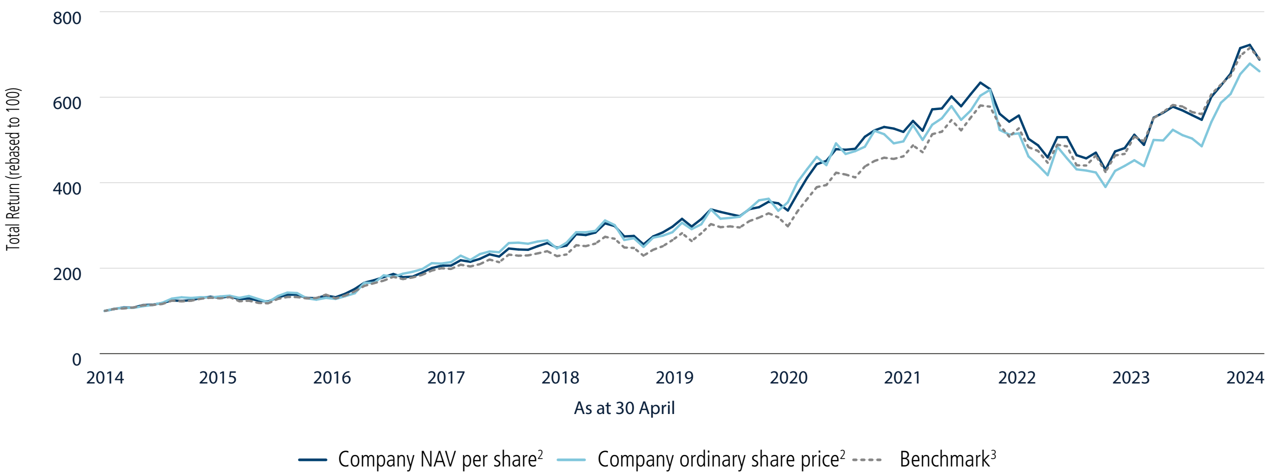
1 Dow Jones Global Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes). See page 132 for further details.

2 Alternative Performance Measure see pages 130 to 131.

3 The issued share capital as at close of business on 11 July 2024 (latest practicable date) was 137,315,000 ordinary shares of which 17,657,777 were held in treasury.

Performance

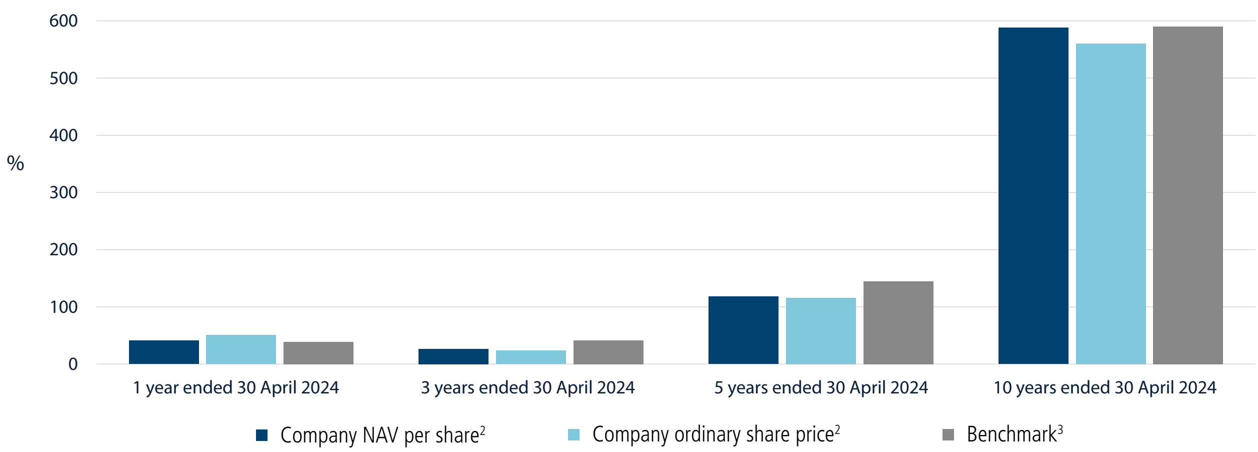
10 Year Performance Graph



Historic Performance

As at 30 April	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net Assets (£m)	606.6	793.0	801.3	1,252.5	1,551.6	1,935.6	2,308.6	3,408.8	3,051.0	2,828.1	3,804.5
Share price (pence)	442.0	592.0	566.0	947.0	1,148.0	1,354.0	1,774.0	2,364.0	2,040.0	1,940.0	2,920.0
NAV per share (pence)	458.4	599.2	605.5	945.4	1,159.7	1,446.4	1,715.6	2,496.4	2,305.1	2,239.5	3,154.1
Indices of Growth[1]											
Share price[2]	100.0	133.9	128.1	214.3	259.7	306.3	401.4	534.8	461.5	438.9	660.6
NAV per share[2]	100.0	130.7	132.1	206.2	252.9	315.5	374.2	544.5	502.8	488.5	688.0
Dow Jones Global Technology Index[3]	100.0	129.5	129.3	198.3	232.2	281.9	333.0	487.3	483.1	496.9	690.3

Performance over 10 years (%)



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 2014
2 Total return assumes reinvestment of dividends.
3 Dow Jones Global Technology Index (total return, Sterling adjusted) with the removal of relevant withholding taxes.
All data sourced from Polar Capital LLP.

Chair's Statement

This report forms part of the Strategic report section

Catherine Cripps
Chair

Introduction

On behalf of myself and the Board I am pleased to present to you the Annual Report of the Company for the financial year ("FY24") ended 30 April 2024.

In my last full year statement to you, we reflected on the acceleration of Artificial Intelligence ("AI"), the investment opportunities this could bring and the wider impact on our sector. During the financial year under review, we continued to see widespread adoption and exciting developments in generative AI. Notwithstanding this, the market backdrop remains a challenge with geopolitical events dominating much of the year and interest rates continuing to rise sharply throughout the year.

Performance

The Manager's report is provided on pages 14 to 34 and gives an overview of the year past and the outlook for the near future.

I am pleased to be reporting strong absolute performance during the financial year under review. This was largely due to the Manager's decision to rotate towards AI as a primary investment theme and focus on the enablers and beneficiaries in this space including semiconductor and component subsectors. The diminution in the risks of prolonged high inflation and recession have helped equity markets generally. The Company performed well against its peer group with the net asset value (NAV) per share rising from 2,239.48p to 3,154.11p, an increase of 40.8%, versus an increase in the benchmark of 38.9% in Sterling terms over the same period.

Discount Management

The Company's discount narrowed during the financial year under review, ending the year at 7.4% compared to 13.4% at the end of FY23.

The Board continually monitors the discount at which the Company's ordinary shares trade in relation to the Company's underlying NAV and, whilst the Board does not have a formal discount policy, it will continue to exercise its discretion to buy back shares at a discount. Equally,the Board will also use discretion to issue shares at a premium.

Utilising this discretion, we repurchased a total of 5,663,975 ordinary shares (representing 4.1% of the issued share capital) in the year under review at an average price of 2,442.50 pence per share and an average discount of 12.3%. Following the year end and up to close of business 11 July 2024, the Company has bought back a further 964,346 shares. While purchase levels have been relatively low on an individual transaction basis, we should note that this activity does not preclude the Manager determining that a more significant amount than usual on any one day should be purchased. Such a decision may be influenced by, in the Manager's view, there being a particular investment opportunity best accessed through buying shares in the Company rather than buying individual securities.

Board Composition

As noted in my Half Year Statement to Shareholders, Charlotta Ginman stepped down as Audit Chair on 31 October 2023 and was succeeded by Jane Pearce as part of a smooth and orderly transition. Charlotta remained on the Board as a non-executive Director of the Company and will retire at the Company's Annual General Meeting ("AGM") in September 2024 following nine years continuous service. On behalf of the Board, I would like to thank Charlotta for her service to the Company over the years.

Subsequent to Charlotta's retirement the Board will comprise five non executive Directors; while the Board considers the composition to be appropriate and covering all skills required we are in the midst of a recruitment process. It is three years since the Board last undertook a market search and we felt we should survey the market and seize the opportunity to hire an additional individual who would add to the Board's existing diversity and skill sets should such an individual be identified. We have appointed a recruitment consultant with a perceived ability to fulfil a search criterion focussed on exploring a broad pool of candidates and in particular, candidates with minority ethnic and/or diverse backgrounds. Further information will be shared when available.

There have been no other changes to the membership of the Board during the year under review. The Directors' biographical details are available on the Company's website and are provided on pages 8 and 9.

Directors' Fees

As is detailed further within the Remuneration Committee Report, an annual fee review was undertaken to ensure that remuneration paid to Directors remains attractive, competitive and in line with those of its peers to attract and retain the best candidates. The Board usually favours modest increases year on year (where applicable) and with effect from 1 May 2024, the Directors' base fee increased by c.3% to £36,000 and the fee of the Chair to £65,500. The supplement for the Audit Committee Chair was increased to £8,500 to reflect the additional time required in connection with increased audit regulation and overall responsibility of the Chair of the Audit Committee, whilst the supplement for the Senior Independent Director remained unchanged at £4,200.

In aggregate, the Directors fees for FY25 will be £235,000. The maximum level currently provided for in the Company's Articles of Association is £300,000. In order to provide headroom and flexibility particularly should the Board find it wants to recruit an additional member, it is proposed that the Articles are updated, by way of special resolution at the AGM, to increase the maximum level to £350,000 per annum.

Share Split

The price of the Company's existing ordinary shares ('**Existing Ordinary Shares**') has increased in recent years and particularly during the financial year under review with our shares now trading regularly above £30 per share. Whilst this is positive for the Company and our Shareholders, we recognise that a higher share price might be a barrier to investment for certain investors including regular savers who may wish to invest smaller amounts per transaction on a regular basis.

The Directors are therefore proposing the sub-division of each Existing Ordinary Share into 10 new ordinary shares (the "**New Ordinary Shares**") (the "**Share Split**"), thereby resulting in a lower market price per ordinary share. The Share Split will not itself affect the overall value of any shareholder's holding in the Company and the New Ordinary Shares will carry the same rights and be subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares. We have made arrangements to ensure that there will be no interruption to trading in the ordinary shares on the London Stock Exchange when the Share Split takes place.

The Share Split requires the approval of shareholders and, accordingly, resolution 10 in the Notice of AGM seeks this approval. The Share Split is conditional on the New Ordinary Shares being admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities. If resolution 10 is passed, the Share Split will become effective on admission. Further details of the proposed Share Split are set out in the Directors' Report on page 73 and in the Notice of AGM.

Annual General Meeting

We are pleased to confirm that the Company's AGM will be held on 11 September 2024 at 2:30pm at The Royal Institution, 21 Albemarle St, London W1S 4BS. We look forward to welcoming shareholders to the meeting, at which they will receive a presentation from the Manager and his team and shareholders will also have the opportunity to ask questions and meet the Board; light refreshments will be available following the meeting.

The notice of AGM will shortly be provided to shareholders and will also be available on the Company's website. Shareholders are encouraged to read the detailed explanations on the formal business and the resolutions to be proposed at the AGM contained within the Shareholder Information section on pages 135 to 136 of this document as well as the Notice of AGM. In order to ensure that shareholders are able to follow the proceedings of the AGM without attending in person, the Company will also broadcast the meeting online via zoom videoconferencing. However, please note that shareholders joining via zoom will not be able to vote online during the AGM and are therefore encouraged to submit their votes via proxy, as early as possible. All formal resolutions will be voted on by way of a poll.

We are conscious of the importance of shareholder engagement and would like to encourage shareholders to engage with the Board and the Investment Manager. As such, the Board invites shareholders to submit questions in writing to which we will respond, as far as possible, ahead of the AGM date. Please send your questions to **cosec@polarcapital.co.uk** with the subject heading **PCTT AGM**.

Environmental, Social and Governance (ESG)

The Investment Manager incorporates ESG considerations into its investment process and the Board continues to engage closely with the Manager to monitor its progress and receives regular updates on the developments on the corporate side of Polar Capital's business. As at 30 April 2024, based on MSCI ESG ratings, the portfolio and the benchmark were both A rated.

Please refer to the ESG Report on pages 46 to 51 which incorporates both the investment and corporate approaches.

Outlook

The outlook for the technology sector is exciting as AI capabilities develop at a rapid pace. The parallel computing infrastructure to support this growth has dominated sector and market returns – as the Manager argues is typical during the 'buildout' phase of a new general-purpose technology (GPT). This has brought concentration challenges in the near term but should provide immense future opportunities as AI is applied to every industry.

The Manager has continued to invest in the team to take advantage of the AI opportunity, adding two additional investment analysts during the year. Shareholders will have the opportunity to hear from the technology investment team members at the AGM.

Financial Performance Review

For the year ended 30 April 2024

The NAV per share increased to 3,154.11p as at 30 April 2024 from 2,239.48p at the start of the year, which represents a 40.8% increase, and the Company finished the year with total net assets of £3,804.5m. The Investment Manager's Report on pages 14 to 34 sets out in detail the performance of the Company for the financial year. The chart on the following 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). The total return from the portfolio for the year was a gain of £1,115.4m (2023: £105.2m loss), of which there was a £1,124.6m gain (2023: £98.3m loss) from capital and a £9.2m loss (2023: £6.9m 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. As a matter of policy, all expenses are allocated to income with the exception of the performance fee which is 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. No change to the policy is recommended (2023: no change). The earnings per share were 904.21p (2023: losses of 81.28p per share). These were made up of 911.68p from capital return and a loss of 7.47p from revenue return.

Capital Return

The investment portfolio was valued at £3,713.8m (2023: £2,640.2m) at the year end 30 April 2024. The investment portfolio delivered a total of realised and unrealised gains of £1,147.9m (2023: £106.8m loss) for the year ended 30 April 2024. The Company's valuation approach is described in Note 2 (f) on pages 107 and 108. The derivative losses of £22.0m (2023: £0.03m gains) have arisen as a result of the call and put options which are used to facilitate efficient portfolio management. Full details of the derivatives are set out in the Investment Managers Report on pages 14 to 34 and Note 6 on page 111.

Revenue Return

The total investment income of £15.5m (2023: £16.2m) represents dividend income derived from listed investments. During the year under review, the Company received other operating income of £6.4m (2023: £3.8m) which was derived from bank interest and Money Market Fund ("MMF") interest. 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 therefore remains negative. The Company historically has not paid dividends given the nature of its focus on longer-term capital growth. The Directors do not recommend the payment of a dividend for the financial year under review. The Board reviews this stance on a periodic basis.

Total Expenses and Finance Costs

The total expenses for the year under review amounted to £27.3m (2023: £23.1m).These are made up of investment management fees of £25.9m (2023: £21.9m) and administrative expenses of £1.4m (2023: £1.2m). In addition, the Company had finance costs of £1.9m (2023: £1.6m). The Company's operating expenses comprise predominantly variable costs, such as management, depositary and custody fees which increase and decrease based on the net asset value. Other expenses remained at a similar level to the last year. The Company keeps under close review the costs and expenses associated with the running of the Company to ensure that they continue to provide value for money. There was no performance fee accrued at the year ended 30 April 2024 (2023: £nil).

Ongoing Charges

The ongoing Charges Ratio (OCR) is a measure of the ongoing operating costs of the Company. It is calculated in line with the AIC recommended methodology, represents the total expenses of the Company, excluding finance costs, and is expressed as a percentage of the average daily net asset value during the year. The OCR 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 OCR provides an indication of the likely level of costs that will be incurred in managing the Company in the future. The OCR for the year to 30 April 2024 was 0.80%, a slight reduction from the previous year of 0.81%. The OCR including the performance fee for the year to 30 April 2024 was the same as no performance fee was accrued at the year end. See Alternative Performance Measures on pages 130 to 131.

Cash and Cash Equivalents

As in the prior years, the Company's absolute level of cash remained relatively high, closing the year at £102.6m (2023: £239.1m), this equates to less than 3% of the Company's NAV as at 30 April 2024. As noted above, as part of the Company's cash diversification strategy, the Company has taken a cautious approach and has chosen to invest 50% of its USD cash balance into a USD Treasury Money Market Fund. As at 30 April 2024, the Company held the BlackRock Institutional Cash Series – US Treasury Fund with a value at year end of £33.0m (2023: £90.4m).

Portfolio Turnover

Portfolio turnover (purchases and sales divided by two) totalled £2,836.5m equating to 85.5% for the year to 30 April 2024 (2023: 77%) of average net assets over the year. Details of the investment strategy and portfolio are given in the Investment Manager's Review on pages 14 to 34.

Gearing

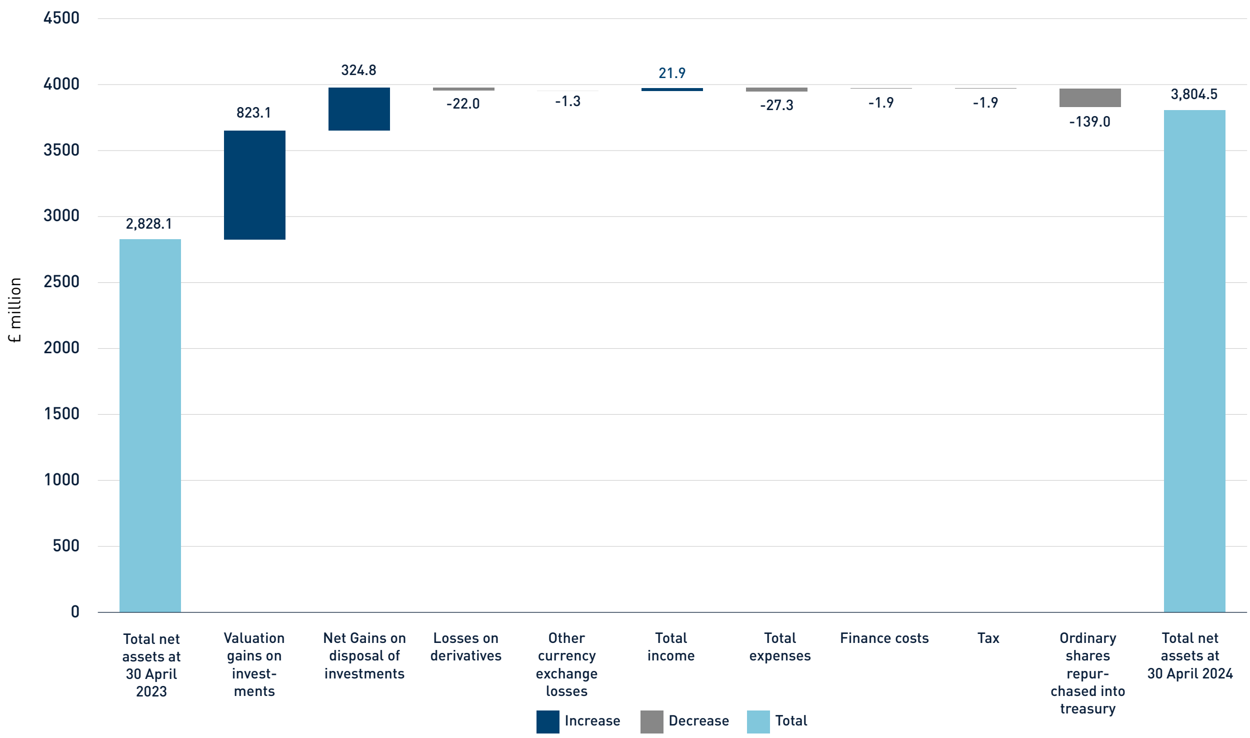
The Company can use gearing for investment purposes as stated on page 56. As at the year end, the Company had fully drawn the two, two-year fixed rate term loans (JPY 3.8bn and USD$36m) with ING Bank N.V. Both loans fall due for repayment on 30 September 2024. The repayment of both loans, totalling approximately £48.0m (2023: £50.8m), would equate to less than 2% of the Company's NAV as at 30 April 2024. Consideration of the future level of borrowings required by the portfolio manager is currently under review.

Foreign Exchange

The majority of the Company's assets and revenue are denominated in currencies other than Sterling and are impacted by foreign exchange movements. As at the year ended 30 April 2024, the other currency losses of £1.3m (2023; gains of £8.4m) represents the exchange losses on currency balances of £4.1m (2023: gains of £7.2m) and net gains on translation of loan balances of £2.8m (2023: gains of £1.2m). 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 pages 121 to 124, analyses the currency risk and the management of such risks.

Catherine Cripps
Chair
16 July 2024

Contributors to the movement in total assets for the year to 30 April 2024 (in £ million)



Board of Directors

Catherine Cripps

Independent Non-Executive Chair

Appointed to the Board in September 2021 and as Chair in September 2022.

Skills and Experience
Catherine is a qualified Chartered Accountant who has in excess of 30 years' senior finance industry experience in a number of trading, risk management and investing roles including Investment Director and Head of Research at GAM. Previously, Catherine was non-executive director of CQS Management Limited, Merian Global Investors and Nuclear Liabilities Fund.

Other Appointments
NED and Board Risk Committee Chair of Goldman Sachs International and Goldman Sachs International Bank and Member of the Audit Committees. NED of Maniyar Capital Advisors, Pool Re and independent member of the investment committee at the charity Marie Curie.

PCT Share Interests
481

Annual Remuneration Financial - year ended 2024
£63,600

Rationale for re-election
Catherine joined the Board in 2021 and assumed the role of Chair in September 2022. She brings to the Board a wealth of investment industry experience following a number of roles including Investment Director and Head of Research at GAM International. Since taking on the role of the Chair, Catherine has been proactive in engaging and building relationships with the Manager and continues the strong link with Polar Capital, she has demonstrated effective leadership skills.

Tim Cruttenden

Independent Non-Executive Director and Senior Independent Director ("SID")

Appointed to the Board in March 2017 and as 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 the 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
NED, Chrysalis Investments Limited.

PCT Share Interests
1,269*

Annual Remuneration Financial - year ended 2024
£39,200

Rationale for re-election
Tim has extensive technology private equity investment experience and brings an alternative investment perspective to discussions on the portfolio. The Board and Manager value the investment debates at meetings particularly where Tim focusses on new themes and they welcome the continued contribution from him.

*includes shares held by PCA's

Jane Pearce

Independent Non-Executive Director and Chair of the Audit Committee

Appointed to the Board in September 2021 and as Chair of the Audit Committee on 31 October 2023.

Skills and Experience
Jane is an experienced non-executive director and Chartered Accountant with over 20 years' financial markets experience. She has a number of years' experience as a Technology Equity Analyst and as an Equity Strategist at leading investment banks including Lehman Brothers and Nomura International.

Other Appointments
NED and AC Chair of Shires Income plc. NED of Morgan Stanley Bank International Limited, Morgan Stanley & Co International plc, Morgan Stanley Investment Management Limited and Morgan Stanley International Limited.

PCT Share Interests
1,097

Annual Remuneration Financial - year ended 2024
£38,500

Rationale for re-election
Jane is an experienced non-executive director and Chartered Accountant with over 20 years' financial markets experience including as a technology equity research analyst. She is a keen participant in meetings often bringing a new perspective to discussions. Jane assumed the role of Chair of the Audit Committee on 31 October 2023, following the completion of a transition period with Charlotta Ginman and has actively worked with Polar Capital and the Auditors to ensure a smooth year-end process and audit.

Charlotta Ginman

Independent Non-Executive Director

Appointed to the Board 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
NED and AC Chair of Gamma Communications plc, NED, SID and AC Chair of Keywords Studios plc, NED and SID of Unicorn AIM VCT PLC and NED, AC Chair and SID of Boku Inc.

PCT Share Interests
4,941

Annual Remuneration Financial - year ended 2024
£38,500

Rationale for re-election
Charlotta is not standing for re-election as she has reached her nine-year tenure and will retire from the Board at the AGM in September 2024. Following a successful handover and transition period, Jane Pearce assumed the role of Audit Committee Chair on 31 October 2023.

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 was 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
NED of North American Income Trust plc and Evenlode Investments.

PCT Share Interests
1,840

Annual Remuneration Financial - year ended 2024
£35,000

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 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
NED and Chair of Brown Advisory US Smaller Companies Trust plc and NED and AC Chair of BlackRock Frontiers Investment Trust plc.

PCT Share Interests
10,000

Annual Remuneration Financial - year ended 2024
£35,000

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.

Company Secretarial & Fund Accounting (Provided by Polar Capital LLP)

Tracey Lago, FCG
Group Company Secretary and Head of Investment Trust Secretariat

Jumoke Kupoluyi, ACG
Investment Trust Company Secretary

Mala Krishnasamy, FCCA
Fund Accounting Manager

Technology Investment Team

Fund Managers

Ben Rogoff

Partner
Technology

Ben has been a technology specialist for 28 years. He has been lead manager of Polar Capital Technology Trust plc since 2006, and is a Fund Manager of the Polar Capital Global Technology Fund and Polar Capital Artificial Intelligence Fund. 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 has a BA (Hons) in Modern History from St Catherine's College, Oxford.

Alastair Unwin

Partner
Deputy Fund Manager

Focus areas: Software and Fintech / Payments

Alastair joined Polar Capital in June 2019 and has 13 years' investment experience. 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 Fund. Alastair has a BA (1st Class Hons) in History from Trinity College, Cambridge and is a CFA Charterholder.

Nick Evans

Partner
Technology

Nick joined Polar Capital in 2007 and has 26 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 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.

Xuesong Zhao

Partner

Focus areas: Semiconductors, Asia Internet, Industrial Automation and Artificial Intelligence

Xuesong joined Polar Capital in 2012 and has 17 years' investment experience. He is a lead manager of the Polar Capital 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.

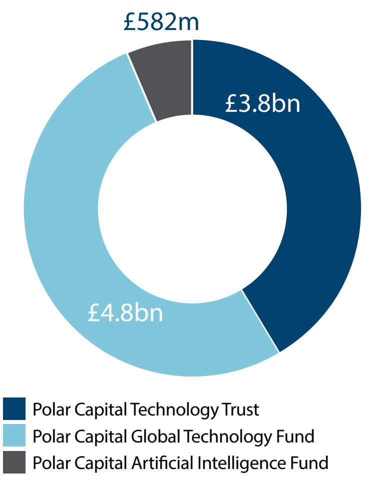
Fatima Iu

Partner

Focus areas: Cybersecurity, Networking, Clean Energy and Medtech

Fatima joined Polar Capital in 2006 and has 19 years' investment experience. She is a fund manager on the Polar Capital Global Technology Fund, Polar Capital Technology Trust and Polar Capital 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.

The team collectively manage £9.1bn in assets



As at 30 April 2024

Investment Analysts

Paul Johnson
Investment Analyst

Focus areas: Automotive (EV/AV) and video gaming

Paul joined Polar Capital in 2012 and has 12 years' investment experience. 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.

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 and has 8 years' investment experience. Prior to joining Polar Capital, Nick worked at Neptune Investment Management as the Assistant Fund Manager on the US Opportunities Fund. Prior to that he worked in academia at the University of Oxford. Nick holds an MChem in Chemistry from Wadham College, University of Oxford.

Patrick Stuff
Investment Analyst

Focus area: Artificial Intelligence, Industrial and Semicap equipment

After graduating from the University of Warwick with a BSc in Economics, Patrick joined Polar Capital in July 2016 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 AI and Industrial companies. Patrick has 3 year's investment experience.

Fred Holt
Investment Analyst

Focus area: Semiconductors

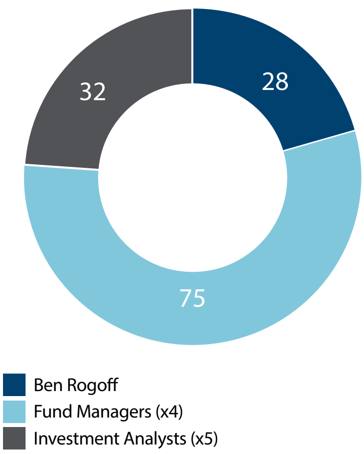
Fred joined Polar Capital in July 2023 as an Investment Analyst in the Technology team and has 3 years' investment experience. Prior to joining Polar Capital, he worked at Janus Henderson investors as a Portfolio Analyst on the Global Technology Leaders and Sustainable Future Technologies strategies. Fred holds a BSc in Geology, University of Bristol and an MSc in Petroleum Geoscience, Imperial College London. He is also a CFA Charterholder.

Lina Ghayor
Investment Analyst

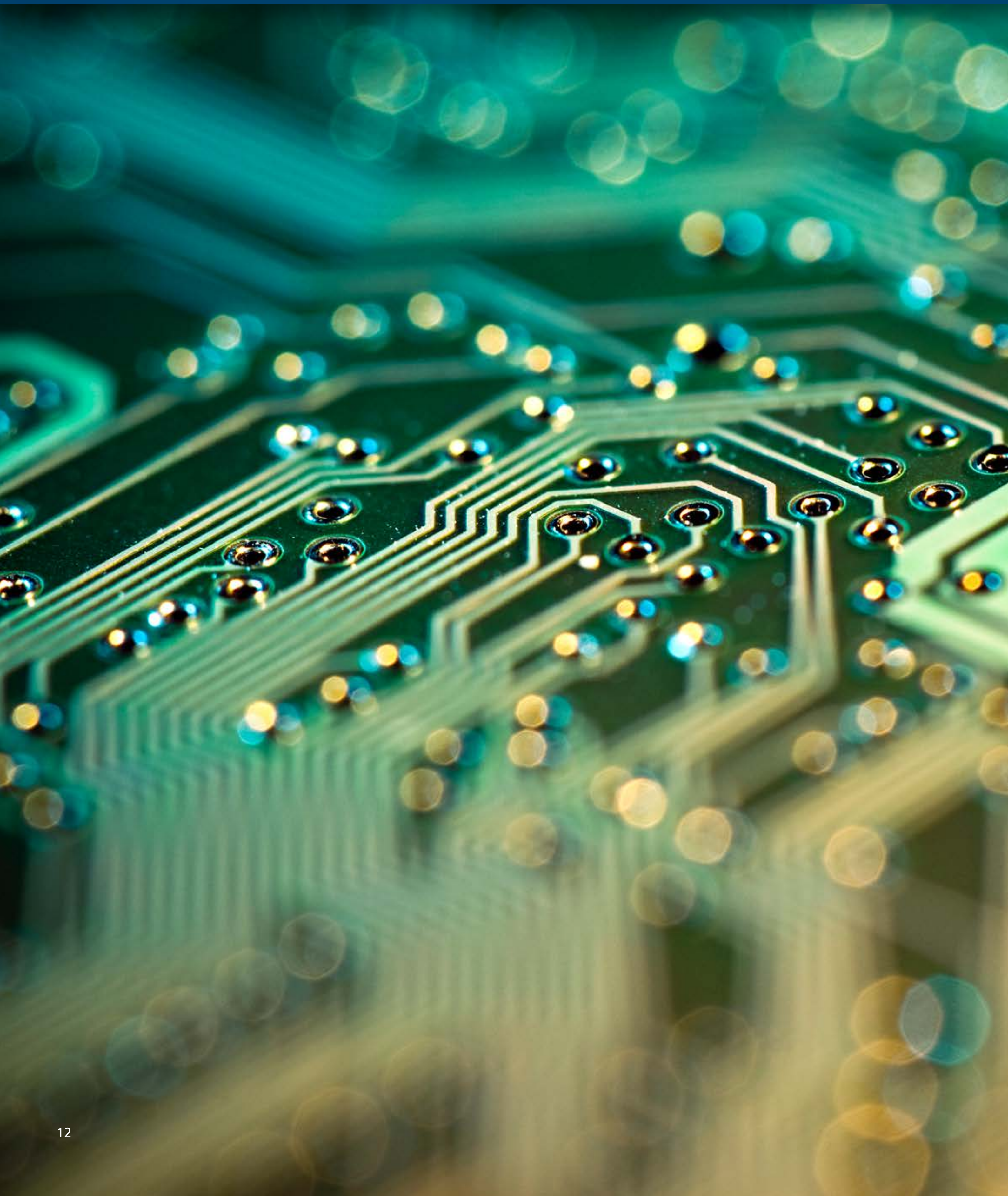
Focus area: Internet

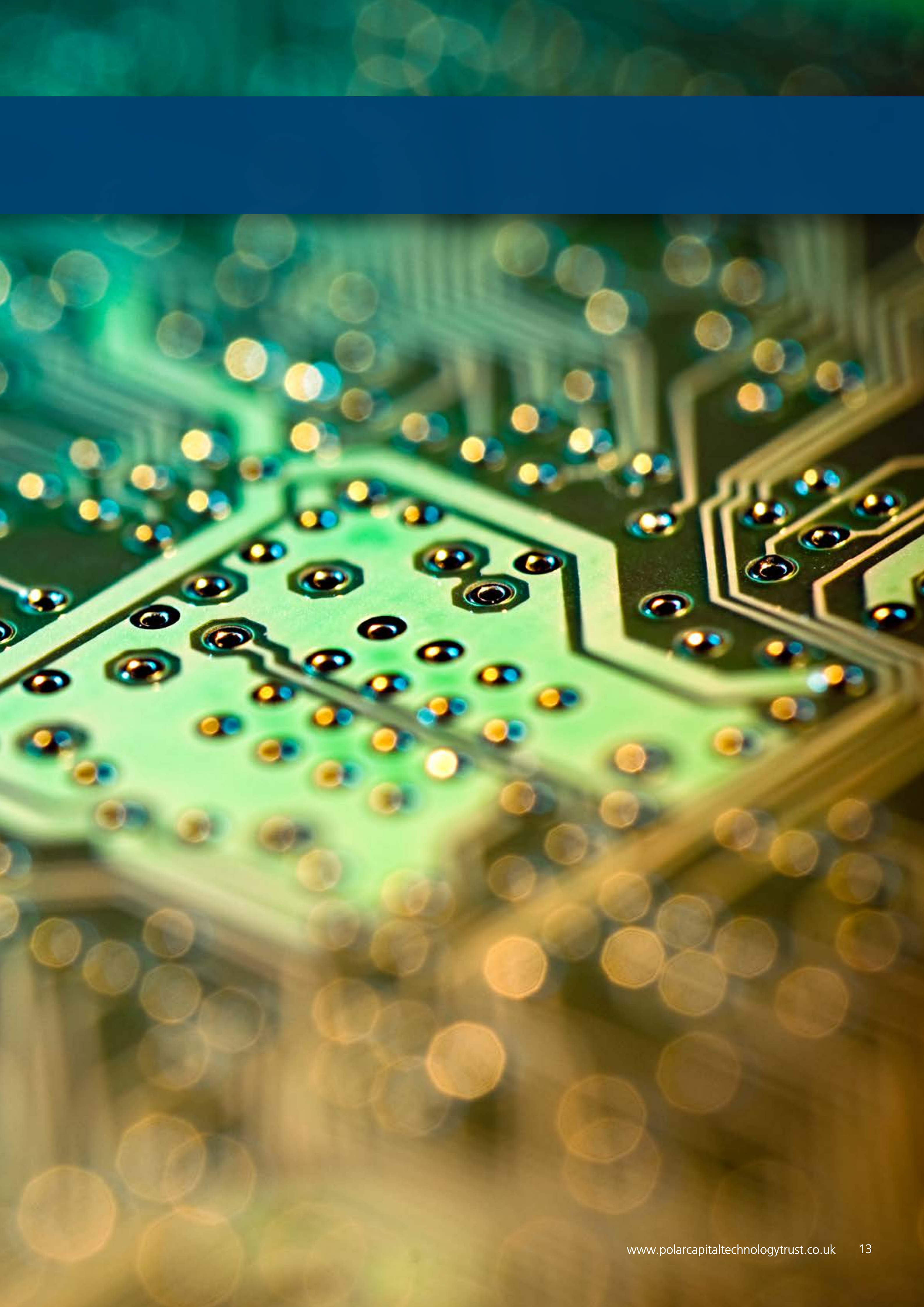
Lina joined Polar Capital in September 2023 as an Investment Analyst in the Technology team and has 6 years' experience. Prior to joining Polar Capital, Lina worked at Exane BNP Paribas as an Equity Research Analyst. Lina holds an MSc in Management – Finance & Law from ESSEC Business School.

Team experience breakdown (years)



Manager's Report





Investment Manager's Report

This report forms part of the Strategic report section

Ben Rogoff
Partner, Technology

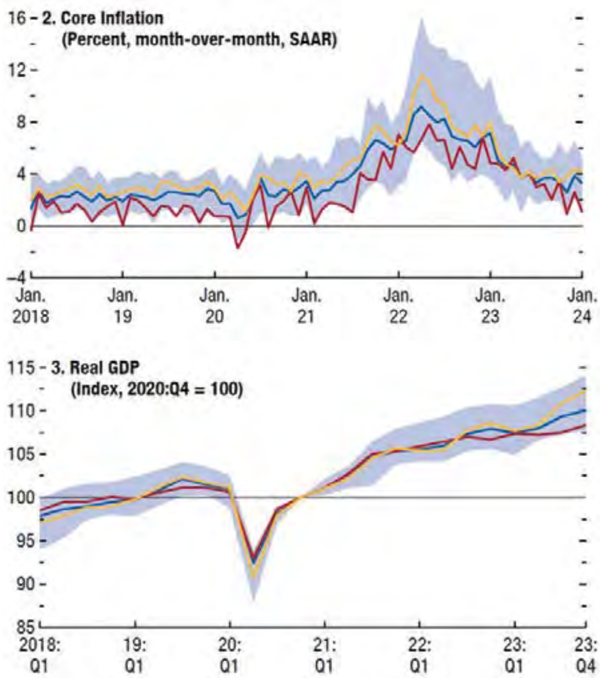
Alastair Unwin
Partner, Deputy Fund Manager

Market Review

Equity markets delivered strong returns during the Trust's fiscal year as inflation trended back towards target, unemployment remained low and economic growth surprised to the upside. The MSCI All Country World Net Total Return Index in Sterling returned +18.1% during the fiscal year, while the S&P 500 and the DJ Euro Stoxx 600 indices returned +23.3% and +9.0% respectively. The 'goldilocks' combination of disinflation and strong economic growth was entirely at odds with investor pessimism and bearish positioning at the start of the fiscal year, which reflected a torrid 2022, adverse financial conditions, above-average valuations and the allure of significantly higher risk-free rates. Investors poured $1.3trn into money market funds during 2023, 10x more than flowed into equity funds.

The fiscal year began amid the fallout from the collapse of Silicon Valley Bank and Credit Suisse. Decisive policymaker actions prevented contagion and reminded investors that *in extremis* the so-called 'Fed put' (an assumption that if necessary the Fed will step in to support financial markets) was alive and well. Global markets rebounded from lows in March to almost recover their December 2021 highs by the end of July 2023, supported by resilient consumer spending and strong labour markets, even as central banks hiked rates aggressively. Inflation trended down ('core PCE' declined from 5.2% in 2022 to 4.1% in 2023 and is forecast to reach 2.6% in 2024) without triggering a recession or even an increase in the unemployment rate, which remained below pre-pandemic levels in many countries.

Strong equity market returns depended on the (surprising) fact that aggressive rate hikes did not derail the economy. Instead, US real GDP growth of 2.5% in 2023 (and expectations for 2.7% in 2024) significantly exceeded expectations at the start of 2023 (1.4% and 1.0% for 2023 and 2024 respectively). This 'goldilocks' scenario was tested during the fiscal year, however, as US bond yields touched 5% in October 2023 on a narrowly-averted US government shutdown, increased US Treasury issuance, a ratings agency downgrade and emerging 'higher for longer' interest rate commentary from central bankers.



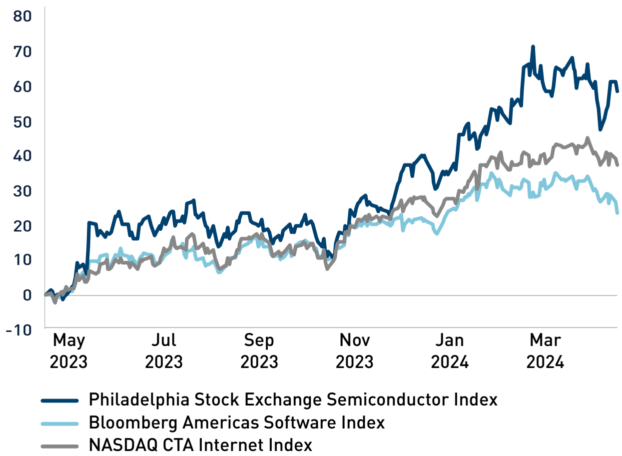
Source: IMF, April 2024

The rise in yields proved short-lived and they retraced to c3.9% by the end of the calendar year, spurring a cross-asset rally. Favourable seasonal trends were buoyed by investors' growing hopes of a soft landing (where inflation comes down without a significant increase in unemployment). Markets took dovish commentary from Fed policymakers and supportive inflation data as a signal that the Fed had completed its hiking cycle and began to price the first rate cut in March, with expectations for six or seven 25-basis-point interest rate cuts by the end of 2024.

The New Year (and final third of the Trust's fiscal year) presented challenges as US 10-year Treasury yields rebounded to c.4.6% in April as labour markets and economic data remained firm, and inflation readings came in a little hotter than expected. This pushed out market expectations of the timing of the first Fed cut from March to November and put upward pressure on real yields (government bond yields adjusted for inflation), which moved from 1.7% coming into the year to c.2.2% by the end of April.

Despite still being incomplete, the rise and fall of inflation has been remarkable, demonstrating that credible central banks can contain inflation by controlling inflation expectations, rather than just slowing down the economy. The Fed also enjoyed notable tailwinds including productivity gains, benign weather and a tepid Chinese recovery. We have previously argued (in our 1945-1947 inflation parallel) that many Covid-related imbalances would probably have resolved themselves eventually, but the historic path taken by the Fed reflected the uniqueness of the post-pandemic episode. Larry Summers, a former Treasury Secretary, described the Fed's actions in the two years after 2021 as a "less than 1% probability set of actions relative to what the market expected".

An inescapable feature of equity markets during the fiscal year was the dominance of a select group of mega-cap technology stocks, the so-called 'Magnificent Seven' - latterly the 'Fab Four' (or Five) - which returned +60% combined in USD terms, according to Bloomberg. These returns emerged following a disastrous calendar 2022 when the group declined -45%, and FY24 returns were driven almost entirely by positive estimate revisions. Their dominance of equity returns (and indeed profit pools) has been felt more widely across the market as large cap stocks (Russell 1000) outperformed small cap (Russell 2000) by 10ppts during the fiscal year, 32ppts over the past 3 years and 50ppts over the past 5 years.



Source: Bloomberg

Technology Review

The technology sector led global equity markets higher during the Trust's fiscal year as the Dow Jones Global Technology Index returned +38.9% against the MSCI All Country World Net Total Return Index's +18.1%. Technology outperformance was driven by a number of factors: better than expected growth, positive earnings revisions, improved margins, and the increasing likelihood of an economic 'soft landing'. However, the most important technology theme during the year was the proliferation, evolution, and investment implications of Generative AI (GenAI). Our previous fiscal year saw the launch of ChatGPT in November 2022, followed by Microsoft's $10bn investment in OpenAI in January 2023. However, GenAI became impossible for investors to ignore in May 2023, when NVIDIA delivered remarkable Q1 results accompanied by the largest guidance beat ($11bn vs. $7.15bn) in the history of the semiconductor industry.

At the stock level, companies exposed to AI computing (where demand for servers, chips and related components increased significantly) delivered positive returns during the fiscal year, led by NVIDIA which gained a staggering +213%. This helped the Philadelphia Semiconductor Index (SOX) return +58.7% over the same period, led by AI-related chip makers and semiconductor capital equipment companies, as cloud providers invested aggressively in the new technology.

Strength in AI-related data centre spending 'crowded out' non-AI spending in areas such as CPU and cloud servers, reinforcing the divergence between AI and non-AI returns. Non-AI semiconductor fundamentals were mixed: communications infrastructure spending remained weak, PC and smartphone inventory cycles appeared to bottom, while automotive and industrial end markets softened significantly before potentially bottoming towards fiscal year end.

Investment Manager's Report continued

Apple had a challenging year amid China market share loss concerns while the distinct lack of a positive AI narrative weighed on Apple's multiple.

The software sector delivered reasonable absolute returns as the Bloomberg Americas Software Index returned +23.8%, but significantly lagged the technology sector on a relative basis. This was due to a lack of positive revenue growth revisions (revenue growth in the software sector overall has been decelerating since mid-2021) and the deterioration of the narrative around AI's impact on existing application software vendors. Enterprise IT budgets remained fairly tight and continued to consolidate around the largest vendors as a more ROI-focused 'best of suite' approach overtook the 'best of breed' buying behaviour more generous technology budgets enabled during covid. Microsoft was the clearest beneficiary of this trend, topping almost every CIO 'spending intentions' survey.

Infrastructure software companies generally struggled as the fiscal year progressed, despite the fact that public cloud aggregate revenue growth (to which their growth is often tethered) reaccelerated to +21% in Q4 2023 and +24% in 1Q 2024, as customer 'optimisation' activities attenuated. AI was called out as a meaningful contributor at Microsoft and Amazon, but this has yet to translate into improved performance in cloud consumption stocks. Cybersecurity stocks fared better, reflecting robust budgets, spend consolidation and the likelihood of AI-enabled cyberattacks requiring new tools. Ransomware attacks reaccelerated to +70% yoy in 2023 as hackers begin to use GenAI tools to help them create malware faster than ever before. The average cost of a breach reached $4.5m in 2023, a 3-year CAGR of +15%, and United Health's $1.6bn ransomware attack was the first >$1bn breach.

The NASDAQ Internet Index returned +37.2% following a challenging FY23 (+1%), during which consumer-focused internet companies were hurt by post-pandemic normalisation trends and concerns about an imminent recession. The recession in the US never arrived and the largest e-commerce and advertising platforms (such as Amazon, Google and Meta) dominated returns in FY24. These companies consolidated market share gains and delivered strong results as the online consumer remained resilient. Newfound expense discipline helped deliver significant upside to earnings estimates for the megacap internet companies. Furthermore, a higher cost of capital decimated smaller peers - a dynamic which helped other 'vertical leaders' such as Uber Technologies and DoorDash. The AI narrative around the largest internet platforms oscillated during the fiscal year. Concerns around longer-term disruption weighed against near-term revenue benefits from better AI-driven ad targetting, product enhancements and strategic advantages from their data assets, scale, distribution, compute and technical expertise. Smaller players struggled, especially those with weaker balance sheets or aggressive online Chinese competition, such as Match.com and Etsy.

Long-duration assets and second-liners struggled for footing against a backdrop of high yields, mixed fundamentals and limited exposure to AI. This resulted in unusual performance divergence among technology funds and trusts, with those striving to discover the 'next' Microsoft, Meta and NVIDIA largely missing out on returns generated by the existing ones. As important as early AI enablers and beneficiaries, the absence of these stocks from portfolios meant many failed to capture AI-driven returns during the year. The IPO market tentatively reopened during the fiscal year, as the high profile ARM IPO raised c$5.2bn. There was a smattering of other noteworthy technology IPOs (Instacart; Klaviyo; Kokusai Electric), but capital markets activity remained fairly subdued overall.

Large-cap technology stocks once again significantly outperformed their small and mid-cap peers as the Russell 1000 Technology Index and Russell 2000 Technology Index delivered returns of +43.5% and +29.8% respectively. Returns were led by the largest technology companies, which in part explains why the S&P 500 Information Technology Sector saw its valuation premium to the S&P 500 Index expand to 1.36x from 1.21x at the start of the calendar year, against a 10-year average of 1.1x. However, this valuation expansion was not experienced beyond the US; the Dow Jones Global ex-US Technology sector (W2TEC) which has no mega-cap constituents, significantly underperformed (+1.8%).

Portfolio Performance

The Trust outperformed its benchmark with the net asset value per share rising +40.8% during the fiscal year versus an increase of 38.9% for the Dow Jones Global Technology Index. The Trust's share price advanced by 50.5%, reflecting the additional impact of the discount narrowing from 13.4% to 7.4% during the period. We continue to monitor the discount and the Trust bought back 5.66m shares during the fiscal year, at an average discount of 12.3% to NAV.

While the zeitgeist of 2023 was captured by a select group of mega-cap stocks, returns during the Trust's fiscal year were less uniformly positive for the so-called *Magnificent 7*. Instead, returns were dominated by the proliferation, evolution and investment implications of generative AI (GenAI) following NVIDIA's remarkable quarter and record guidance delivered in May.

The Trust benefited from our decision to rotate decisively towards AI as a primary investment theme, as outlined in our interim report. This was largely focused on the semiconductor and component subsectors, including memory-related assets, advanced packaging, testing and EDA software. In addition, we made a series of investments in smaller Asian component and materials companies that we expect to play a more significant role in AI computing than they did during the Cloud era. While the Trust was broadly neutral NVIDIA (which returned a staggering +213%), it benefited from a slew of other AI-related assets, including chipmakers AMD (+78%), ARM (+98%) and Micron (+76%), datacentre spending beneficiaries Arista Networks (+61%), Fabrinet (+83%) and Pure Storage (+122%), as well as semiconductor capital equipment makers Disco (+158%) and KLA (+79%).

While software sector fortunes were more mixed, select Trust holdings such as ServiceNow (+52%) and HubSpot (+44%) benefited from spend consolidation and a supportive AI narrative. The same dynamic drove returns in the cybersecurity subsector as tool consolidation and the need for scaled data assets to defend against more sophisticated AI-powered attacks supported spending. The Trust benefited from strong performance in a number of its cybersecurity holdings including CrowdStrike (+145%), Cloudflare (+87%), CyberArk (+93%), Palo Alto Networks (+60%) and Zscaler (+93%).

In the internet subsector, the Trust enjoyed strong returns from its exposure to dominant franchises in ecommerce and streaming that delivered strong revenue growth and improved profitability amid a more benign competitive landscape. These included Amazon (+67%), DoorDash (+112%), Netflix (+68%), Shopify (+47%), Spotify (+111%) and Uber (+114%).

The Trust also benefitted from the decision to reduce and/or exit companies we believed would prove limited beneficiaries or eventual losers from AI. The most significant of these was Apple (+1%) that meaningfully underperformed during the year due to smartphone market headwinds and a limited AI narrative. Our underweight Apple position was responsible for 336bps of positive contribution to the Trust's relative performance during the year. Performance also benefited from not holding Intel (-1%), which had execution issues in its business model transition, non-AI related semiconductor companies that experienced inventory digestion as well as an underweight exposure to EV-related assets. We extended this underweight EV position during the year following the sales of On Semiconductor (-2%) and Infineon (-4%) amid deteriorating automotive datapoints.

In terms of negatives, liquidity proved the largest headwind to performance as cash (4.5% average) cost 249bps and Nasdaq puts an additional 76bps. While meaningful, our cash and put positions are designed to ameliorate our portfolio beta (which is considerably higher than our benchmark) in the event of a market setback. They also inform portfolio construction, emboldening us to hold larger positions in higher beta stocks than we might otherwise. Relative performance was also negatively impacted by further large-cap outperformance with the Russell 1000 Technology Index (large cap) and Russell 2000 Technology Index (small cap) returning +43% and +30% respectively. On a three and five-year basis, the gap has extended in favour of large caps to 62% and 138% respectively. During the fiscal year, this was largely transmitted via underweight positions in Meta (+80%) and Alphabet (+52%), which comprised more than 10% of our portfolio but dragged on relative performance given they made up 13% of the benchmark.

While AI drove the Trust's performance during the year, there were also some negative offsets including an underweight position in chipmaker Broadcom (+109%), which dragged on our relative performance by 120bps. In addition, there were some smaller AI positions to which we arrived late and/or failed to capture the upside from, including Gold Circuit, Unimicron and Rambus. Earlier hopes that infrastructure software would benefit from AI-related application development also proved premature with a lack of revenue reacceleration or AI participation weighing on holdings such as MongoDB (-19%), Snowflake (+5%) and Teradata (-4%).

Trust performance was also negatively impacted by exposure to more rate-sensitive areas such as fintech and alternative energy. Within fintech, our holdings in Mastercard (+19%) and Visa (+17%) both generated strong positive returns but fell well short of our benchmark. Smaller fintech companies fared meaningfully less well, although our exits of Adyen (-24%) and Flywire (-29%) helped reduce this impact. Our modest exposure to alternative energy proved an additional drag, again ameliorated by several stock sales including Enphase Energy (-33%) and First Solar (-3%). Smaller Trust holdings in factory automation and robotics-related companies such as Harmonic Drive Systems (-16%), Keyence (+0%) and Cognex (-12%) were negatively impacted by China weakness. Our decision to modestly add back to some longer-duration stocks such as Roblox (+0%) and Tesla (+12%) towards the end of 2023 also proved premature as yields rebounded in early 2024, leading to sustained underperformance from this group.

BUILDING THE AI RAILS

IT'S HAPPENING AGAIN: The railway buildout lasted decades, providing the foundational infrastructure for US productivity growth; AI infrastructure will support productivity growth for knowledge work.

The railroads played a crucial role in the development of the US economy from the industrial revolution in the Northeast (1820s – 1850s) to the settlement of the West (1850s-1890s). Between 1830-1839, US railroad investment increased from 0.2% of GDP to just above 0.9% by 1839 (a 31% CAGR) in nominal terms. After a digestion period, investment reaccelerated, averaging 1.7% of GDP between 1850 and 1859 to reach a peak 2.6% of GDP in 1854.

At the height of the equivalent UK railroad boom, investment averaged 7% of GDP for three years. Current AI investments do not (yet) suggest a bubble. US cloud companies' capital expenditure on AI infrastructure may reach >$156bn in 2024 (c0.54% of GDP) and is on track to reach >$1trn collectively over the next 5 years. The railway buildout ended in a bubble, but at much higher levels of GDP than the AI build today, having remained elevated for more than a decade.

2.6% vs. 0.5%

Share of US GDP spent on railways in 1854 versus AI infrastructure in 2024

>$1trn

Estimated size of AI datacentre opportunity

Market Outlook

If the market surprise of 2022 was how high inflation remained for so long, 2023's revelation was how little impact the fastest monetary tightening cycle in a generation had on the real economy. Various explanations include: a delay in the 'transmission' of higher rates given the high proportion of mortgages and corporate debt which had been fixed at very low rates during the 'zero-rates' era; the benefit of interest income on 'excess consumer deposits' in supporting consumer spending; corporate unwillingness to let go of the workers they had fought hard (and paid up) to attract and retain. In contrast with prior years, our base case for 2024 is broadly in line with consensus on many of the key near-term debates (inflation, rates, valuations) and our belief is that where we do differ, the range of outcomes is narrower. Some of the other 'known' risks are more binary in nature (e.g. US presidential elections).

In its April 2024 update, the IMF projected 3.2% global growth in 2024, 30bps higher than its October 2023 forecast, and 3.2% in 2025. This outlook is described as "surprisingly resilient, despite significant central bank interest rate hikes to restore price stability". The persistence of US growth is striking, now expected to accelerate modestly from 2.5% in 2023 to 2.7% in 2024, against expectations for a deceleration to 2.1% for both years in the IMF's January 2024 update. Despite strong economic growth, the disinflation process remains broadly on track and "monetary policy should ensure that inflation touches down smoothly": global headline inflation is expected to fall from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.

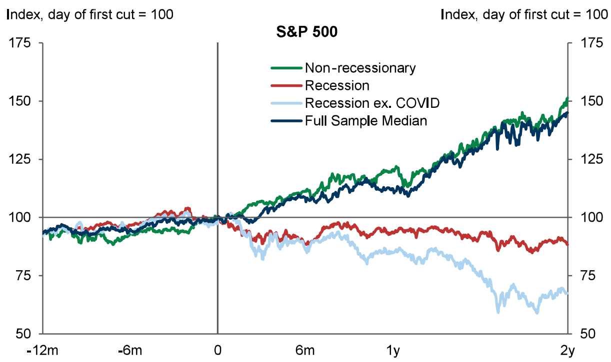
Our base case remains that central banks have won the battle on inflation. Much of the earlier excess inflation proved to be supply-side driven including covid disruptions (e.g. container freight rates increased 5x between 2020 and late 2021) and exogenous commodities price shocks from Russia's invasion of Ukraine. Demand imbalances have also played a part, including government stimulus and demand swings for goods versus services. Common causes have seen common solutions: disinflation dynamics have been reasonably homogeneous across countries. Goods disinflation has been widely observed while services has proven stickier, around c3-5% in developed economies.

For its part, the Fed kept long-term inflation expectations 'well-anchored' and prioritised credibility above all else; the '5yr5yr' – a market-implied expected average inflation rate over a five-year period that begins five years from today - remained in a 2-2.5% range despite headline CPI inflation in the high single-digits. This proved sufficient to deliver a 'soft landing' most thought impossible, judging by the c75% of economists who expected a recession coming into 2023, and the Fed futures curve which anticipated the Fed would have to cut rates by the second half of 2023. We expect the Fed to manage the balance between keeping rates restrictive enough to ensure inflation returns to target and cutting early enough to prevent a recessionary outcome.

The path of inflation is the key determinant of Fed policy, and it will (rightly) remain 'data dependent', but policymakers are clearly cognizant of the need to manage *de facto* tightening from higher 'real' rates as inflation trends lower and policy rates sit unchanged. Indeed, real rates are already around c2%, versus an average 3% level at which the Fed has historically started cutting, and other central banks including Sweden's Riksbank, the ECB and the BoE have either begun cutting or signalled they will soon. The 'maximum employment' aspect of the Fed's 'dual mandate' will also likely receive more attention, and arguably Chair Powell introduced a form of 'labour market put' at the January FOMC press conference: "*If we saw an unexpected weakening in… the labor market, that would certainly weigh on cutting sooner. Absolutely*."

Equities tend to rally after the Fed begins a cutting cycle, although the returns are (unsurprisingly) better in non-recessionary scenarios. Deutsche Bank found that the S&P 500 has returned +7% in the 12 months following the first rate cut in recessionary scenarios, and +18% in non-recessionary scenarios. Longer-term, Goldman Sachs found a c50% positive return over 2 years absent a recession and negative mid-teens returns when a recession occurred. Interestingly, the overall level of the market coming into the rate cutting cycle has made little difference historically. Since 1980, there have been 20 times when the Fed has cut rates when the S&P 500 was within 2% of all-time highs, and the market has been higher a year later on all 20 occasions.

Equities tend to rally after the Fed starts to cut...
Median across each sample



Source: Goldman Sachs Global Investment Research

Investment Manager's Report continued

Investors should also be comforted by central banks' increasing ability and confidence in using their balance sheets to deal with sector or asset-class specific issues. Indeed, one of the great challenges last year was understanding how an aggressive Fed tightening cycle did not cause a spike in unemployment or a recession. In addition to the reasons suggested above, liquidity provided by years of Quantitative Easing plus covid-era balance sheet expansion (from 18% of GDP in 2019 to 28%) mollified the impact of monetary tightening from rate cuts. In addition, central banks have been very willing to use their balance sheets to support the economy and the debt and labour markets (and, by extension, risk assets), as seen with the Fed's Bank Term Funding Program (BTFP) and the Bank of England's successful intervention during the LDI crisis. We expect balance sheet operations to remain a permanent part of the landscape.

Valuations appear extended, but not unreasonable. Equity market valuations have rebounded since June and October 2023 lows (c15.5x) and the S&P now trades on 21x 2024 consensus earnings and 18.5x 2025, based on +11% and +9.5% EPS growth. Historically, equity valuations have expanded following the end of Fed hiking cycles, but multiple expansion is typically accompanied by a decline in bond yields. Economic growth appears positive but moderating (total revenue growth tracks nominal GDP growth normally), which suggests upside to revenues (absent AI-related areas) might be limited. S&P profit margins are back to pre-GFC highs and elevated versus history, having troughed in Q4 2022. Several incremental headwinds to further margin expansion suggest profit growth could be more similar to revenue growth in 2024, although analysts are still assuming significant operating leverage with S&P 500 expected earnings growth (+11%) ahead of revenue growth of 4.9%. However, we are optimistic longer-term that AI could drive sufficient labour productivity for knowledge workers to make a material difference to the c$53trn global wage bill (c54% of GDP). Our valuation base case is that significant further multiple expansion is unlikely from this point, and equity returns should better track EPS growth absent a recession or bull case scenario.

Market Risks

The most significant risk to the market outlook is the prospect of a **recession** or 'hard landing'. Past economic downturns have seen S&P 500 EPS decline by 11% peak-to-trough and the index level fall by -24%, although prices and valuations typically bottom faster than earnings. The median forecasted probability of a US recession in the next 12 months fell steadily from 65% to 30% during the fiscal year. However, there remains a possibility that the 'long and variable lags' of the fastest monetary tightening cycle in a generation will ultimately push the economy into recession. Cracks in commercial real estate have caused concern, but the office market accounts for just 2-3% of banks' loan portfolios while office investment is only 0.35% of GDP.

We believe the odds of a US recession are still relatively low, despite warnings from several traditional leading indicators such as the yield curve (still inverted) and the Conference Board's Leading Indicator, which has never experienced such a large 6- month decline without a recession. On the monetary side, the money supply has never contracted this fast without some sort of negative outcome – even in our favoured parallel the post-WW2 'recovery loop', there was a brief recession in 1948-49 as the economy transitioned from a wartime to a peacetime footing. Central bankers may have more data (and some other tools) to help the economy adjust, but if there is an asset quality problem rather than a liquidity problem, there is only so much they can do.

The most bearish market view is any challenge to the idea that the Fed actually has managed to get inflation sustainably under control, and the threat from a '**second wave' of inflation** could necessitate further tightening. There was a second (and third) wave of high inflation in the 1970s related to geopolitical developments (Vietnam war, energy crisis, deficit spending). This would hurt equity performance: markets were flat between 1967-1980 and credit outperformed significantly as yields averaged >7%.

A longer-term issue which could contribute to a higher neutral interest rate and lower equity multiples is the growth in **public debt**, which has reached record levels as a percentage of GDP in many countries. Historically (e.g. 1919, 1946, 1995), peak government debt-to-GDP has been resolved by a combination of lower fiscal deficits (or surpluses) and an acceleration in GDP. This has not (yet) occurred; since the 2020 peak, GDP growth has been strong, but the federal deficit in FY23 was c$2trn (7% of GDP), doubling from $1.0 trn in FY22.To date, this increased deficit has been of limited concern to the bond market but our working assumption is that it 'cares' about deficits in a non-linear way, and perhaps 5% on the 10-year US treasury might mark a potential 'break point'. However, we also acknowledge that being the reserve currency of the world may allow for ongoing structural US deficit financing with limited penalties.

Beyond a recession, we are most concerned about **geopolitical risk**, a topic we covered in depth last year. This risk is heightened in what is an election-heavy year, where countries accounting for >60% of global GDP are holding elections – US, India, and UK among them – but also because there is an emerging narrative about the reversal of the post 1980s 'peace dividend' which has supported global growth, trade, stability, and asset values. The emerging 'multipolar' world could reverse this feedback loop as trade and supply chains decouple, higher inflation and higher deficits become embedded – the '1970s scenario'. **China** represents its own category of geopolitical and economic risk. A bearish view might consider the 'success' of China's initial lockdown as its zenith as a global power before the inherent limitations of an investment-led growth model and/or totalitarian leadership were laid bare. China's nominal GDP growth has decelerated to the lowest level since the 1970s which helps explain the weakness in Chinese equity and property markets. This could reflect a new normal for China after three decades of double-digit nominal GDP growth.

In terms of **US-Sino relations**, there are several paths that a deterioration might take in 2024. These include further outbound investment restrictions, export controls, and even the revocation of 'Most Favoured Nation' status, something of which Trump is in favour. China may also be at risk of exporting deflation to the rest of the world but the economic impact to the US should be contained (exports to China make up 0.6% of US GDP), and a direct effect of a 1% shock to Chinese growth on US GDP is estimated at less than 0.01%.

A far greater risk comes from the potential for an escalation in tensions surrounding **Taiwan** as President Xi described unification as "a historical inevitability" in his 2024 New Year's address. A second **Trump presidency** would bring an added element of uncertainty and higher likelihood of a miscalculation. A recent 'war game' simulation estimated the potential impact on the global economy of a war in the Taiwan Strait at c$10trn or c10% of global GDP, significantly larger than the GFC or the pandemic. As it relates to PCT, Taiwan accounts for 60% of global semi shipments and >90% of leading-edge semi manufacturing capacity. For context, OPEC has about 40% of global oil capacity. It might take 5 years + to rebuild Taiwan's semiconductor capacity and would undoubtedly set the evolution of AI back materially.

Increasing **market concentration** has been a feature of the post-GFC market, with the largest 10% of stocks' accounting for a portion of the overall stock market (c.75%) not seen since the Wall Street Crash of 1929. This is not just a technology sector phenomenon as large caps are outpacing small caps nearly everywhere, even on a sector-neutral basis. The rejuvenation of small caps has been long called for by active managers (including us), but the case for broadening is not straightforward.

A more supportive rate environment should help small cap outperformance as we saw in Q4 2023, when yields dropped sharply back to c3.8% and small and mid-caps led the market higher. As we saw then, the upside from a small cap rally can be explosive as Russell 2000 bull markets have produced average gains of 131%, with 7 of 11 bull markets producing triple-digit gains. However, the earnings picture is complicated as large-cap market dominance has reflected higher EPS estimates, in contrast with small-caps where earnings have trended lower since the start of 2022. Absent an earnings recovery, it is hard to argue for structurally higher small-cap multiples.

The risk profile of small caps is also less appealing: the Russell 2000 has a record percentage of unprofitable companies with significantly more debt to refinance in the next few years, in stark contrast with strong balance sheets at larger corporates. Finally, the dominance of large caps may simply reflect the changing nature of the economy as larger companies have enjoyed increasing returns to scale, formerly having been subject to diminishing returns. This reflects a number of structural changes including the increasing relative importance of network effects, globalisation and potentially large cap companies' ability to develop and exploit proprietary software. In fact, returns on capital for large companies were generally lower than for smaller companies in the 1980s and 1990s, but since 2000 they have become significantly higher for larger companies. The gap may also reflect different attitudes to investment. For example, total capex and R&D spending for the Magnificent Seven this year is expected to total c$350bn and the Magnificent 7 reinvests c60% of their operating cash flow back into capex and R&D, or about 3x rate of the other 'S&P 493'. Our view is that while a broadening of the market is certainly possible and would be welcome, change of leadership often require a break in the cycle.

There is risk to equity markets from **competition from other asset classes**. Yields on equities, high grade bonds, T-bills and REITs recently converged for the first time in 20 years. As such, there is far greater competition for capital with investors able to collect the same earnings yield as the S&P 500 at varying risk/return profiles. If rates trend lower as expected, we should expect some rotation into US equities, although equity ownership as a percentage of total assets is already at record highs.

Our broader conclusion remains unchanged from our interim report: whether there is a recession or not and what equity markets do over the next six to 12 months perhaps misses the point. Astounding new innovations such as AI augur well for a longer-term innovation-led growth and prosperity cycle. Markets appear fully valued if we think the timeline to AI's economic impact is 5+ years away, but much more reasonable if that timeline is sooner. The shortening timeline to Artificial General Intelligence (AGI) – the ability to understand, learn, and apply knowledge across a broad range of tasks and domains at a level comparable to human intelligence– presents a further upside scenario.

NEW MARKETS

IT'S HAPPENING AGAIN: Just as the sewing machine changed the relationship between people and clothes, we expect AI to create new markets by radically altering the speed and volume of knowledge work.

Singer's sewing machine (1855) was an historical 'copilot' which increased the number of stitches a seamstress could produce by 22x. This allowed for the mass production of clothing, making it more affordable and changing the way people dressed. Before Singer's machine, most clothing was made by hand, which meant people typically had a very limited wardrobe with perhaps one 'best' set and one 'everyday' set of clothes. The sewing machine collapsed the cost and time of making clothes, greatly increasing the variety and quality of clothing that the mass market could afford and giving birth to the 'ready to wear' apparel industry.

Just as the sewing machine changed the relationship between people and clothing, we expect AI to change the relationship between people and ideas, with copilots and other knowledge work productivity tools significantly reducing the 'time to first draft', while improving quality, creativity and range – a 'machine tool for the mind'.

14.5 → 1 hour

Time taken to produce a shirt before and after the sewing machine

>$1trn

Size of the global apparel market built on the back of the sewing machine

Technology Outlook

Earnings outlook

Having stabilised in 2023 with growth of 3.5% y/y, worldwide IT spending is expected to reach $5.1trn this calendar year representing an increase of 8% y/y, in current dollar terms. This represents a notable acceleration and an upward revision from the +6.8% forecast in January. While Gartner believe it will take until 2025 to translate into enterprise budgets, it is clear that **AI has already become a corporate imperative** with c45% of CIOs planning to adopt AI within 12-24 months. Strength expected in datacentre spending (+10% y/y) suggests that the digital groundwork for AI is being built ahead of enterprise adoption, led by hyperscalers. Likewise, an expected rebound in devices, following two very weak consecutive prior years, is predicated on AI-related product cycles.

Table 1. Worldwide IT Spending Forecast (Millions of U.S. Dollars)

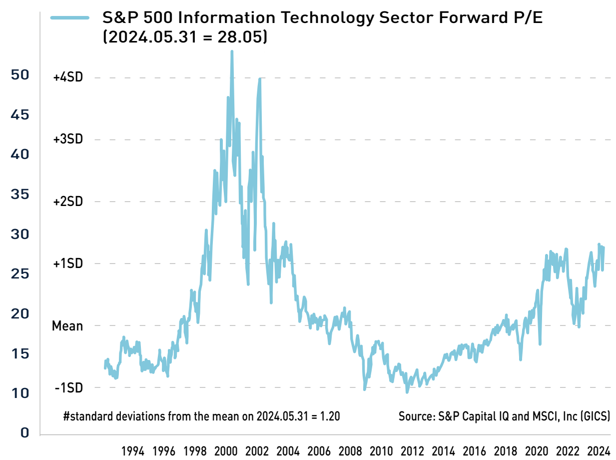
	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	236,179	4.0	259,680	10.0
Devices	664,028	-9.1	687,943	3.6
Software	914,689	12.6	1,042,174	13.9
IT Services	1,385,120	6.1	1,519,928	9.7
Communications Services	1,487,161	3.3	1,551,288	4.3
Overall IT	**4,687,177**	**3.8**	**5,061,013**	**8.0**

Source: Gartner, April 2024

For 2024, the technology sector is expected to deliver revenue growth of 9.3%, while earnings are expected to increase by 18% **which would represent the best year for earnings since 2021**. These forecasts are well in excess of anticipated S&P 500 market growth, where revenues and earnings are pegged at 4.9% and 11% respectively. The technology sector's outperformance is expected to continue in 2025 with early forecasts for 10.8% / 13.8% comfortably ahead of market expectations (5.8% / 9.5%). While macroeconomic conditions may create crosscurrents, we believe **technology fortunes this year will be determined by the path of AI progress**.

Valuation

The forward P/E of the technology sector has expanded during the past year. A year ago, valuations had recovered to c24x forward P/E, having ended 2022 at c.19x. Since then, valuations have increased further as technology earnings and stock performance (especially *Mag-7*) 'crowded out' the broader market. At time of writing, technology stocks trade at 26.5x, well ahead of five (23.9x) and ten-year (20.3x) averages. This reflects the arrival of AI as an investment theme and a much improved inflationary backdrop. The premium enjoyed by the sector expanded during the past year with excitement around AI resulting in the sector making post-bubble highs (1.4x the market multiple), levels last seen briefly during the pandemic period. At time of writing, this premium has fallen back to c.1.3x – at the high end of the post-bubble range. While this suggests less valuation upside in the near-term, we believe that AI represents a unique moment for the technology sector such that the post-bubble range (between 0.9-1.3x) may no longer be valid.



Source: Ned Davis, 31 May 2024

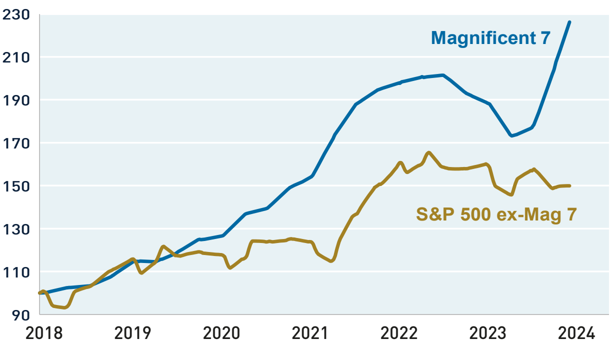
Magnificent 7

However, the valuation question is greatly influenced by a select group of mega-cap stocks that – as well as driving returns last year – also dominate technology indices. As such, this year we present some high-level thoughts on the so-called 'Mag-7' given the implication for future returns, prospects of a broadening market and, of course, our own positioning.

Investment Manager's Report continued

While 2023 proved a remarkable year for the group, returns are highly sensitive to the starting point; since the beginning of 2021, Mag-7 – at time of writing - has only outperformed the S&P 500 by 10%. At time of writing, the group sports a premium valuation; a forward P/E of 29.6x as compared with 20.9x for the overall index and 18.6x for the remaining 493 S&P 500 (SPX) companies. However, Mag-7 accounts for c.29% of SPX market cap and is expected to generate c.22% of SPX net income. One might argue a little extended, but very clearly far from bubble territory. Moreover, the group is expected to deliver three year compound annual revenue growth of 12% versus 3%, higher margins (22% vs. 10%) and a greater re-investment ratio (61% vs. 18%) than the SPX493. This superior profile has shown little sign of abating as in Q1 2024, expected S&P 500 earnings growth of +6% y/y is expected to come from Magnificent 7 earnings growth tracking to +48% y/y while the remaining 'S&P 493' are forecast to deliver -2% y/y. These metrics reflect the group's **uniqueness**, with each member dominating large markets, enjoying scale advantages or natural monopoly status while investing heavily in new opportunities to avoid the so-called *innovator's dilemma*. Most also have strong AI stories in our opinion, and all are what we consider non-fungible companies and stocks. **As such, we expect to retain sizeable positions in the largest stocks in the benchmark over the coming year**, assessing each on its own merits and not defaulting to a market broadening narrative, even if we (and other active managers) strongly desire it.

Magnificent 7 growth in free cash flow vs rest of S&P 500
Index (100 = January 1, 2018), 90 day smoothing



Source: Bloomberg, JPMAM, December 27, 2023

Next generation / longer-duration stocks

Next-generation valuations have also expanded as we predicted in last year's Annual Report when we suggested it was 'highly likely' that we had already seen the lows. Since then, an improved inflation outlook and moderating cloud optimisation headwinds have seen software valuations recover to c.7.0x forward EV/sales, having bottomed at around 5.1x (and peaking at 16x in 2021). According to KeyBanc, this leaves them ahead of five and ten-year pre-covid averages of 6.1x and 7.2x respectively. Higher growth stocks have experienced a greater valuation recovery with companies growing revenues above 20% today trading at 10.9x forward EV/sales; down 62% from highs but well ahead of pre-COVID five-and ten-year averages of 7.8x and 7.0x respectively. In contrast, unprofitable growth stocks have recently made new valuation lows, trading at less than 3.0x forward EV/sales.

Survival of the fittest

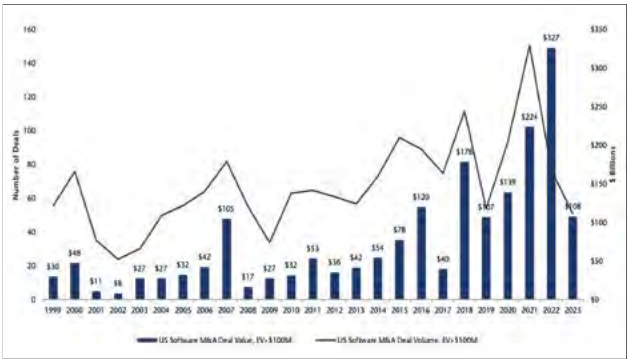
The partial recovery in software valuations (and related lack of market interest in unprofitable growth stocks) reflects a slower growth environment ameliorated by higher industry margins. This year, the median software growth rate is forecast at 14-15% as compared to 17% in 2023, and 26-27% in 2022. However, the adoption of the so-called *PE playbook*, as highlighted last year, has become the norm for most software companies and has been rewarded by the market. Unlike prior downcycles, **the recalibration was rapid**, reflecting unique post-pandemic challenges – bloated and disconnected workforces, waning product and corporate relevance, the end of 'free money' and, more recently, the birth of genAI. The focus on more profitable growth has seen the median software company's free cashflow margin expand by a remarkable 1500bps from c.5% in 2019 to c.19-20% in 2024E. This recalibration **has seen the best companies become better versions of themselves**. For instance, while CrowdStrike stock has more than recaptured 2021 highs, over the past c.3 years it has grown revenues from $1.1bn to $2.9bn while expanding operating margins (OMs) from 10% to 19%. ServiceNow – recently at all-time highs – has grown revenues from $5.5bn to $8.5bn while expanding OMs from 25% to 29%. In addition, both companies should be able to use AI to deliver further margin improvement as well as monetise the technology via AI-enhanced product lines.

Against this backdrop, **unprofitable companies are not merely anachronistic – they represent a pool of companies unwilling or (more likely) unable to deliver margin expansion**. They are former pandemic / WFH winners, derivative plays on now unloved themes, SPACs, or companies that might have changed the world in 2040 had zero interest rates prevailed. They are the broken toys used by equity investors to play themes that didn't last or never happened. Some may yet reinvent themselves, but history suggests most will disappear, to be combined, reconstructed, or dismantled by private equity. As such, we continue to tread tentatively in longer-duration stocks, doing our best to avoid the siren call of 'cheaper valuations'.

More M&A activity likely

Following a dismal 2023 for M&A, this year has got off to an encouraging start. After a notable absence of **strategic M&A**, 2024 has already seen HP announce the $14bn acquisition of Juniper Networks, while Synopsys and Ansys are set to combine in a $35bn stock and cash transaction. More recently, IBM scooped up Hashicorp for $6.5bn, representing c.8.5x EV/CY25 revenues and a 42% one-day premium, while in the UK, there was recently a bidding war between Viavi and Keysight for Spirent. In addition, **private equity** is likely to remain active with c.$2.5trn in 'dry powder' having acquired Alteryx, New Relic and most recently, Darktrace. We expect AI to play a part in greater M&A too, as point solution companies continue to struggle versus platforms with LLMs likely to prove highly disruptive to pre-GenAI vintages. Nonetheless, a recovery in M&A activity should provide some downside support to current valuation multiples.

US Software M&A with EV Greater then $100M



Cloud / AI Update

Cloud reacceleration

After decelerating for ten quarters, public cloud revenue growth finally reaccelerated in Q4'23 reflecting the combination of waning optimization activity and **ramping AI workloads**. In Q1'24, aggregate cloud revenue growth reaccelerated 3ppts sequentially to +24% y/y – remarkable given a greater than $210bn industry revenue run-rate. We are hopeful that the post-COVID optimization process is largely complete, a view supported by CIO surveys that suggest cloud spending should more closely track consumption from here. More importantly, AI workloads are beginning to 'move the needle' with AI called out as a meaningful contributor at Microsoft (7pts of Azure revenue growth in its most recent quarter) and Amazon ("multibillion-dollar revenue run rate" in AWS). We expect these tailwinds to grow stronger as the **public cloud** remains a key conduit for accessing AI. Foundation models with ever greater parameter counts require larger clusters of connected AI servers, while the compute requirements of AI applications are said to double every 3.5 months; both needs fit well with cloud flexibility and scalability.

A new architecture for AI

The hyperscalers also have the 'deep pockets' required to invest in AI infrastructure, which due to extreme performance required by AI training is heralding a **significant shift in IT architecture from serial to parallel compute**. We consider the architectural break far more significant than the transition to cloud from on-premise compute. This is apparent from an AI server bill of materials (BOM) said to be 25x greater than a general purpose cloud server. A useful parallel for this might be comparing a Toyota Prius with Formula 1; both are cars, but one is designed for general purpose and efficiency (cloud), the other for extreme performance (AI).

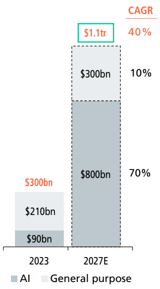
Unprecedented growth

The nascent 'AI war' that began a year ago (when Microsoft looked to leverage its OpenAI relationship to challenge Google's search business) has given way to something far more significant, accompanied by an **unusual urgency that feels reminiscent of the 1990s.** Having increased by c.5% during 2023, datacentre capex will materially accelerate this year with all of the US hyperscalers raising future spending intentions in both Q4'23 and Q1'24. At time of writing, hyperscaler capex is expected to exceed $170bn in 2024, representing growth of 44% y/y. This is sharply higher than earlier expectations

Investment Manager's Report continued

of +26% after Q4 results, and +18% at the beginning of the calendar year. According to Gartner, AI servers will account for nearly 60% of hyperscaler total server spending in 2024.

AI Datacenter Capex	2023	CAGR	2027	Comments
AI Chips	$45bn	~70%	$400bn	AMD's TAM projection
Other AI server content	$12bn	~70%	$100bn	20% of AI server spend
AI networking equipment	$10bn	~70%	$90bn	15% cluster spend
AI datacenter building, cooling, power dist.	$24bn	~70%	$210bn	25-30% of DC spend
Total	**$90bn**	**~70%**	**~$800bn**	



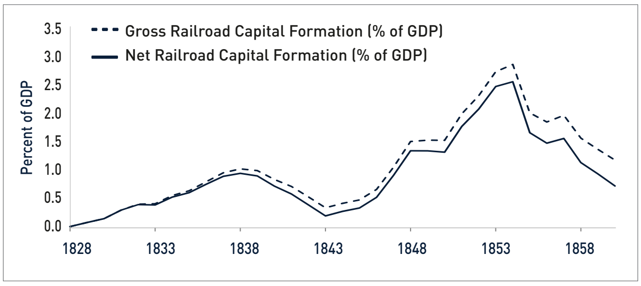
Source: NewStreet Research - Company Report

To date, the greatest beneficiary of AI infrastructure spending has been Nvidia as its GPU chips sit at the epicentre of the new AI architecture. In its most recent quarter, the company registered datacentre revenues of $18.4bn, a remarkable 409% y/y increase. **Growth at this scale is extremely unusual in technology history**, leading many to suggest that AI spending is a 'bubble'. We strongly disagree and consider instead that we are **early in the accelerated buildout of a general purpose technology**.

Building the AI rails

Sizing the AI infrastructure opportunity is difficult to say the least – in last year's paper we had the temerity to suggest that AI capex "might exceed $100bn". Since then, Jensen Huang, CEO of Nvidia, has sized the AI market at $1Trn while Dr Lisa Su, CEO of rival AMD, has suggested the market for AI chips will reach $400bn by 2027, which including other component, system and networking costs implies an $800bn opportunity. At face value this suggests that AI spending could increase at a 70% CAGR through 2027 by which time it would reach c.0.8% of global GDP.

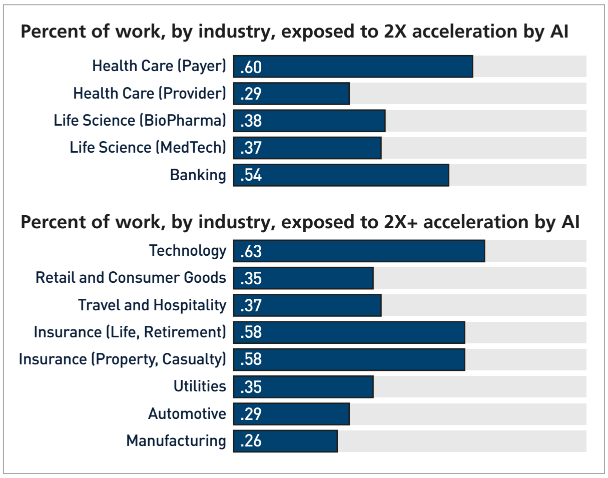
This would be extraordinary, but not unprecedented given that between 1830-1839, US railroad investment increased from 0.2% of GDP to just above 0.9% by 1839, corresponding to a 31% CAGR in nominal terms. After a digestion period, railroad investment reaccelerated, **averaging 1.7% of GDP between 1850 and 1859**. This astonishing period included a blow-off (bubble) phase after 1850, with *investment peaking at 2.6% of GDP* in 1854. At the height of the equivalent UK railroad boom, investment averaged 7% of GDP *for three years*. More recently, the dotcom period witnessed telecom companies spend $1trn (in today's money) building out the Internet during the five years following the Telecommunications Act of 1996. While both historic parallels are useful reminders that infrastructure builds often end badly, current AI spending appears to us to be in its infancy.



Source: The College of William & Mary, December 2014

The biggest opportunity

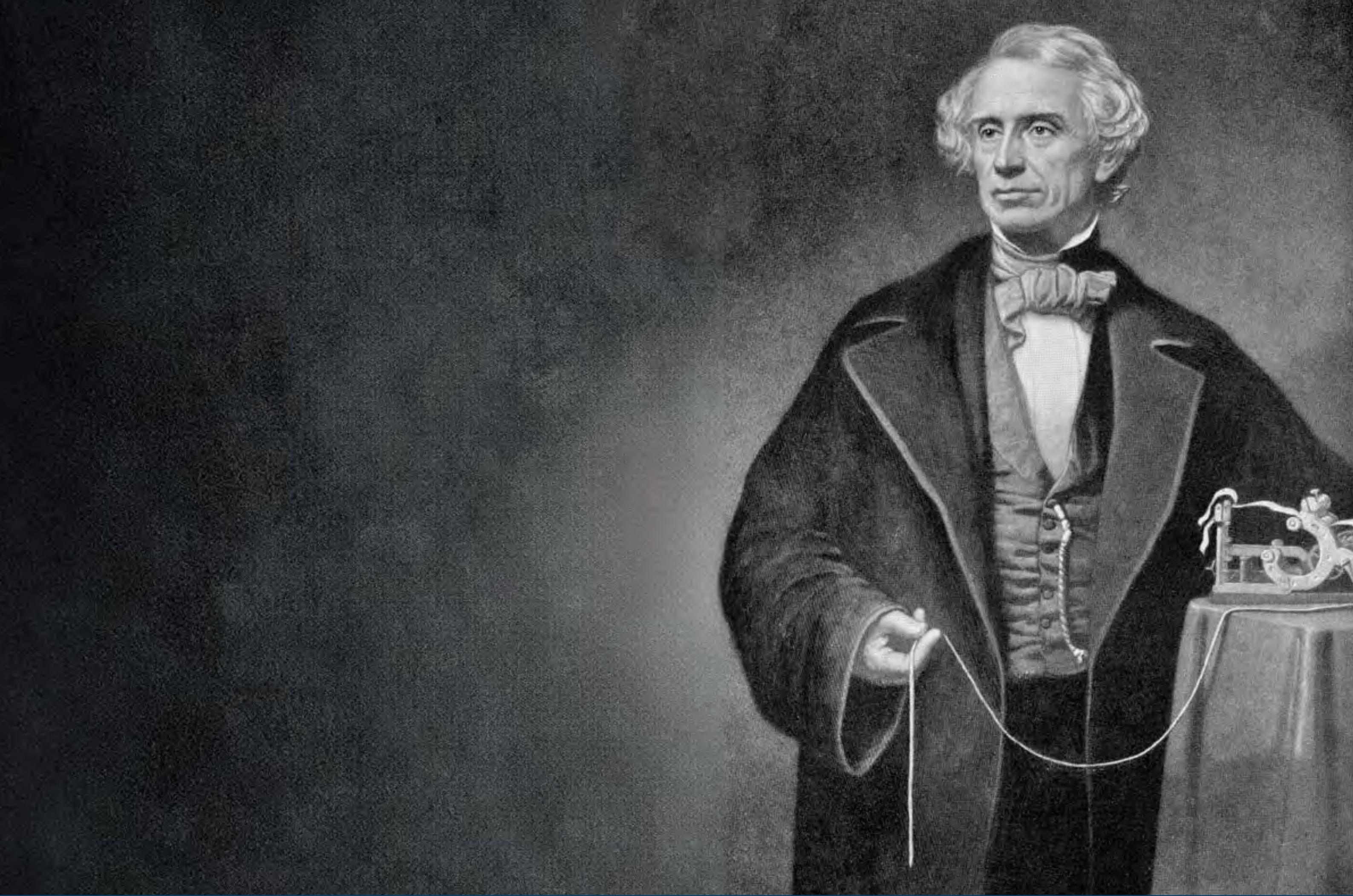
Underpinning AI spending is the scale of the AI opportunity, reflecting its would-be general purpose technology (GPT) status. Because it addresses knowledge work, economist Erik Brynjolfsson has described AI as "**the ultimate GPT – the most general of GPTs**". Accenture estimates that as much as 40% of all working hours will be supported or augmented by language-based AI while McKinsey believe that generative AI could automate 30-50% of tasks in about 60% of occupations, adding the equivalent of between $2.6-4.4trn in economic output annually by 2030.



Source: The Generative AI Handbook

These longer-term opportunities are buttressed by **early AI monetisation**. Less than four years after launching a 'capped profit' arm in 2019, OpenAI is said to have reached a $2bn revenue run-rate with more than 92% of the Fortune 500 as customers. Meta has also demonstrated its ability to monetise GenAI by improving advertiser ROI and reducing the cost of customer acquisition.

REAL-TIME INTELLIGENCE



IT'S HAPPENING AGAIN: The internet enabled the aggregation of vast bodies of knowledge. Like the telegraph, Artificial Intelligence makes that knowledge usable in real time.

Invented by Samuel Morse, the telegraph is today celebrated as the precursor of modern, pervasive communications technologies that followed. However, the telegraph represented a communication revolution that by 1850 allowed information to be conveyed in seconds that would have previously taken days, weeks or even months. The first telegraph sent by Morse in 1844 – 'What hath God wrought' – reflected the technology's significance as well as the unknowable limits of its reach. In just a few years, the real-time intelligence enabled by the telegraph had transformed shipping, news, stock and commodity markets, as well as troop movements and diplomatic relations.

Today's Large Language Models (LLMs) have been trained on vast datasets well beyond the scope of humans. This unprecedented access to information, together with the ability to comprehend and generate natural language is enabling AI to deliver real-time intelligence. Today, AI is already able to write c.50% of the code used to create software, draft c80% of police incident reports, and said to outperform doctors at clinical reasoning. These remarkable early successes point to AI's significance, and, like the telegraph, its vast but unknowable potential.

10trn

Estimated number of words used to train GPT-4

40%

Estimated percentage of police officer time spent writing reports

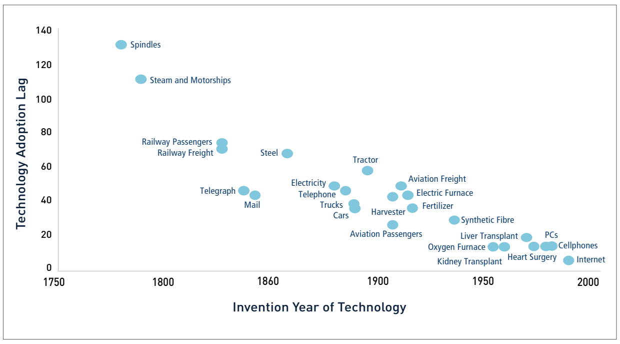
Investment Manager's Report continued

Enterprise adoption of copilots (AI-powered companion software) and premium AI-enabled products has also been encouraging. These tools enable knowledge workers to be more productive; Github Copilot (launched by Microsoft in collaboration with OpenAI in 2022) is helping software developers code up to 55% faster by writing 46% of the code. Lexis+ AI – a legal GenAI assistant from RELX – allows users to "draft clauses, legal documents.. and summarise case law.. (and) the reasoning behind the case". Law enforcement technology provider Axon recently announced 'Draft One', AI-powered software capable of auto drafting police reports based on body-camera footage, saving officers an hour per day on paperwork; in Colorado, police experienced an 82% decline in time spent writing reports. Payment provider Klarna also announced it had replaced 700 full-time contact centre employees with AI agents saving the company $40m per annum. These are early glimpses into AI innovation and disruption, less than two years after the launch of ChatGPT.

Happening now

Rapid adoption and monetisation of nascent AI tools points to a faster than expected diffusion rate. History shows that the delay between invention and widespread use of new technologies has fallen significantly over time, while analysis of earlier GPTs by the Brookings Institute suggests that implementation lag halves with each successive GPT: 80 years for steam, 40 years for electricity, and 20 years for ICT. We expect AI to take less than 10 years to diffuse widely as it 'stands on the shoulders of giants' – technologies such as cloud, internet, leading edge semiconductors and billions of smartphones. Key AI breakthroughs did not happen overnight; the Cloud is nearly 20 years old. NVIDIA has been designing GPUs since 1999. Billions of smartphones and other connected devices have created **vast datasets for training AI models** and a near-ubiquitous channel for its distribution.

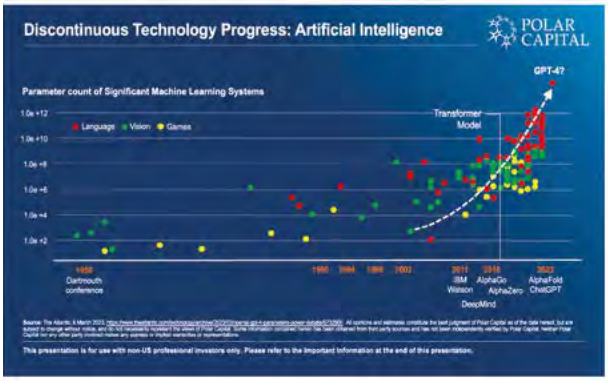
The idea of rapid AI diffusion is visible in real-world developments that include growing recognition among policymakers of the importance of AI and the need to address it through **legislation** with the number of AI-related bills passed into law increasing from just one in 2016 to 37 by 2022. The **Hollywood writers' strike** in May 2023 was another notable development as 11,500 film and television writers began industrial action amid concerns around the AI's role in scriptwriting, fearing that AI-generated scripts could undermine writers' work and compensation. While some investors may be concerned about the risk of slower AI diffusion, the actions of those most exposed to the technology and legislators charged with controlling it suggest otherwise.



Source: Comin and Mestieri, 2017

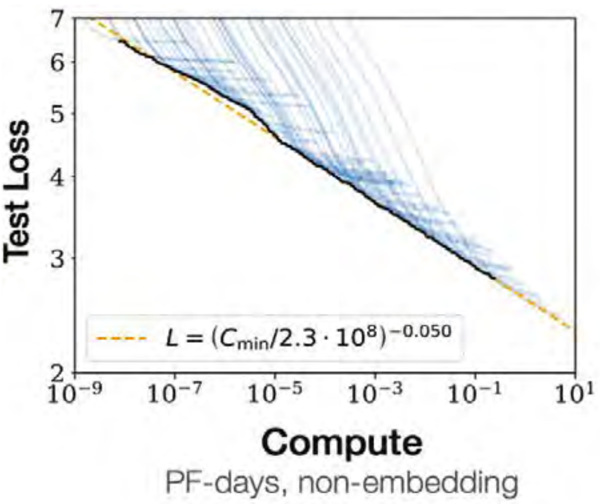
A model of improvement

Diffusion, monetisation, and corresponding capex are highly dependent on continued AI model progress. We believe the advent of the **transformer model** in 2017 represented a key breakthrough which is why we describe it as the '**Bessemer moment for AI**'. As with steel in 1856, this breakthrough has resulted in **discontinuous technology progress**; the parameter count of OpenAI's GPT-4 (2023) is rumoured to be one million times larger than the DeepMind model that beat Lee Sedol at *Go* just seven years ago. Higher parameter counts have significantly increased the learning capacity of AI models, enabling them to handle a broader range of general-purpose tasks.



Source: The Atlantic, March 2023

Recent model progress includes multimodality (able to analyse images and audio) and far larger token context windows (the amount of information that can be processed in any prompt). In February, OpenAI announced *Sora*, a remarkable AI 'text-to-video model' able to generate video based on descriptive prompts with "*an emergent grasp of cinematic grammar*". The furious pace of model improvement recently saw Google's *Gemini Ultra* become the **first model to exceed the 'human expert performance' threshold** on MMLU, an AI benchmark which measures knowledge across 57 subjects. Improved performance is also helping ameliorate earlier technology challenges with newer LLMs such as GPT-4 experiencing lower hallucination rates (incorrect model outputs). The expected launch of OpenAIs GPT-5 over the summer as well as the launch of Meta's 425bn-parameter *Llama 3* and Amazon's 2trn parameter *Olympus* will serve as important waypoints to assess continued AI model progress.



Source: OpenAI, 2020

Our confidence in continued AI progress is underpinned by **scaling laws** which have so far predicted improvements in model performance based on increasing model size, the amount of training data and computing power applied. This is a complex topic to tackle here, but to us it is highly reminiscent of *Moore's Law*, which famously stated that the number of transistors on a microchip would double approximately every two years. **Humans struggle to model non-linear change**, but Moore's Law held true for many decades, predicting the exponential progress of semiconductors that followed. We believe that for as long as they hold, scaling laws predict a continued non-linear pace of AI model improvement and ever-greater investment required to stay on the curve. In a recent interview, Mark Zuckerberg defended Meta's decision to significantly increase AI spending with reference to scaling laws:, "I think it's likely enough that we'll keep going. I think it's worth investing the $10bns or $100bn+ in building the infrastructure."

General intelligence

Zuckerberg's excitement (and capex plans) reflects an apparently shortening timeline to **artificial general intelligence** (AGI), a point where AI might achieve the cognitive abilities of humans across a wide range of tasks. This would have seemed remarkable -crazy even - just a few years ago, but within the AI community, AGI is widely considered attainable in the near future. Founder of DeepMind Demis Hassabis has said AGI could be less than a decade away, while Shane Legg, Google's chief AGI scientist, believes there is a 50% chance of general intelligence by 2028. Sam Altman also believes it could be reached within the next four or five years. A shortening timeline to AGI might make sense of a series of peculiar recent AI developments including the late 2023 debacle at OpenAI when Altman himself was fired and rehired in a matter of days, as well as decision by Geoffrey Hinton ('The Godfather of AI') to leave Google in May 2023 so he "could talk about the dangers of AI". It might also explain why Altman has mooted the idea of raising $7trn – twice the size of UK GDP - to 'reshape the semiconductor industry'. After all, if we are indeed close to achieving AGI, the world is going to need a lot of chips.

Welcome to the AI-era

We expect AI to profoundly change the world. At a prosaic level, AI should deliver a **significant productivity boost**, as was the case with prior GPTs. Current expectations for US productivity to average c.1.4% this decade look mismodelled; GS believe that AI could increase US productivity by 1.5% annually over the next decade, while Erik Brynjolfsson expects US productivity to average "at least 3%".

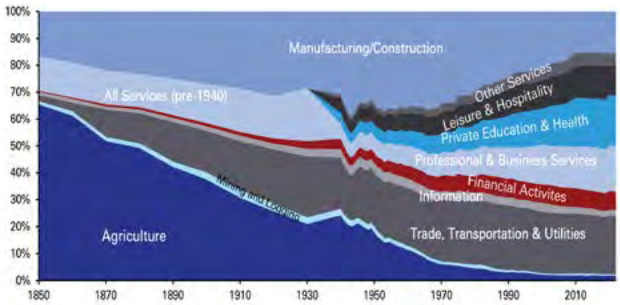
Source: Kendrick, 1961, Syverson, 2013

Investment Manager's Report continued

Risk to jobs

If so, the coming decade could be "the best ever" although we acknowledge that **concerns about AI risk to jobs** is understandable given its scope and pace of AI improvement. However, history demonstrates that **humans have adapted well to prior technology disruption**; in 1850, agriculture explained two-thirds of US jobs before mechanisation steadily reduced this to just 4% by 1970. Despite this, and subsequent technology innovations, median G7 unemployment has "oscillated based on economic cycles, rather than any technological waves" since 1750.

Proportion of Private Sector US Employment by Sector - Technological innovation in Agriculture allowed the world to move from subsistence farming to productivity-enhancing new sectors.



Source: Haver Analytics, US Census, Deutsche

While knowledge work is in the crosshairs of this new GPT, we expect the first wave of AI to complement rather than substitute human work, as is the usual pattern of technology change. Even when AI adoption becomes more disruptive all is far from lost, as the agricultural experience demonstrates. While focus will inevitably fall on jobs 'lost to AI' there should be many more made possible by the union of human + machine.

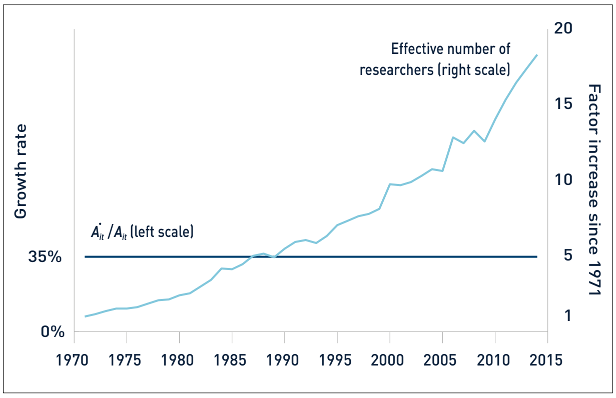
Unfortunately, **we cannot know what new opportunities will be made possible by AI**. However, we do know that earlier tools and GPTs created opportunities that were previously unthinkable. For instance, the **sewing machine** changed the relationship between humans and clothing. Previously, clothes were prohibitively expensive; Singer's sewing machine (1855) transformed this by increasing stitches per minute 22-fold, reducing the time it took to produce a shirt from 14 ½ hours to c.1 Today, apparel is a $2trn industry.

Likewise, the **telegraph** – the precursor of all modern communication systems – "freed communication from transportation". By changing the relationship between information and distance, the telegraph (1837) challenged price arbitrage, changed the way wars were waged, created the 'information industry' (news agencies such as Reuters and AP) and gave life to the first 'fintech' application – wire transfer – introduced by Western Union in 1871.

Hopefully these two lesser known case studies help explain why **we *know* AI will create massive new markets, and challenge existing relationship that exist today**. However, we cannot yet know what form these will take, just as Morse – who tried to sell his telegraph system to the US government for $100,000 - did not fully understand its commercial potential.

Idea Generation

We know that earlier technology tools and GPTs have changed relationships. **Our early bet is that AI changes the relationship between people and ideas**. Transportation technologies (horse, canals, railroads, containers, aviation etc) tamed distance by transforming the movement of physical goods (freight, people). Communication technologies (telegraph, telephone, internet etc) tamed distance by changing the velocity of information. We suspect **AI will transform the speed of knowledge creation** after years of declining research productivity. The ability to inject limitless AI into research should meaningfully **accelerate scientific progress,** and **unlock new ideas**, just as the telegraph acted as "an agency for the alteration of ideas".



Source: Bloom et al, 2020

NEW JOBS

IT'S HAPPENING AGAIN: We expect AI to follow the pattern of mechanisation which significantly impacted agricultural employment while driving productivity and creating new jobs to replace those disrupted.

From the late 19th century agriculture mechanisation epitomised by gasoline-powered tractors and harvesters eliminated much of the labour requirement in harvesting, presaging a significant reduction in labour input per acre farmed. US jobs explained by agriculture fell from 66% in 1850 to just c.4% by 1970. Despite this and subsequent innovations, history shows that humans have adopted well to technology disruption; since 1750, median G7 unemployment has "oscillated based on economic cycles, rather than any technological waves".

Concerns about the risk posed to jobs by AI is understandable given its scope and the pace of improvement. However, the agricultural experience suggests the focus on jobs 'lost to AI' may understate the value of new work made possible by the union of human and machine. Just as mechanisation led a near quadrupling of UK wheat yields between 1945-2005, we expect AI to significantly increase the quality and volume of knowledge work, driving a productivity boom not captured in forecasts.

66% → 4%

Decline in share of US jobs explained by agriculture between 1850-1970.

60%

Percentage of workers today are employed in occupations that did not exist in 1940.

Investment Manager's Report continued

Technology Risks

Given its centrality to sector fortunes, the key risk posed to technology stocks relate to AI. A complex and fluid topic, the most important of these is that the **AI monetisation timeline disappoints**, perhaps because early productivity gains prove limited. Greater availability of AI chips might also lead to a **less intense demand environment**, leading to concerns about industry growth. Other potential AI-related risks include greater **antitrust scrutiny** and other **legal challenges** relating to data use. We remain sanguine that **regulation** designed to slow AI proliferation will prove manageable as countries talk a better story than they implement given the strategic importance of AI. We also note that better provision of guardrails could actually accelerate AI diffusion, just as improved safety following the regulation of the aviation industry acted as a tailwind for consumer adoption. We should also remind investors that should AI become a GPT that there are likely to be far more losers than winners from today's cohort of companies within and beyond the technology sector. However, the most significant AI risk relates to **model improvement failing to keep up with scaling laws** which would negatively impact hyperscaler capex plans and our (AGI-related) bull case.

Beyond AI, there are many **macroeconomic risks** that are covered elsewhere in this report. As previously highlighted, the most important of these relate to inflation (failing to return to pre-pandemic levels) and recession (brought on by higher interest rates or sharply higher energy prices). As such, the **timing and magnitude of interest rate cuts** is likely to remain a key focal point for investors. In addition, there is likely downside risk to technology spending should CEO confidence meaningfully deteriorate. Similarly **earnings estimates** will remain subject to macroeconomic turbulence with less scope for cost cutting now technology margins have recovered to 25.6% in Q1'24, up from 22.4% a year ago. While we hope this would be disproportionately felt by non-AI segments, it might also result in weaker consumption trends and a disappointing recovery trajectory for cloud spending.

Valuation remains a key risk too, particularly following the absolute and relative re-rating in technology stocks. Heightened sensitivity to earnings disappointments during Q1 earnings season is symptomatic of elevated valuations and investor expectations. While we believe the re-rating is appropriate given the arrival of AI as a key investment theme, higher risk-free rates and/or diminished prospects of interest rate cuts could challenge this view. We are also dismissive of the notion that AI stocks are in a **bubble**, akin to the dotcom period in the late 1990s. While there are features of today's market that rhyme with that earlier period, we do not believe investors are really considering trillion dollar market opportunities, scaling laws and an accelerated path to AGI. Factors that would challenge this view include much higher valuations (tech traded above 2x the market multiple in 2000), a 'hot' IPO market dominated by immature AI companies and the application of new valuation metrics necessary to justify elevated valuations. None of these conditions exist today.

As in prior years, **regulation** beyond AI remains a key risk too, with potentially adverse outcomes in outstanding antitrust cases against Alphabet and Amazon likely to impact other natural monopolies within our sector. In Europe, large 'gatekeeper' technology platforms will be forced to comply with the Digital Markets Act (DMA) designed to foster greater competition, with fines of up to 10% of global revenues for non-compliance. However, we believe worst-case outcomes will continue to be averted, in part because many of these companies represent the vanguard in the emerging AI battleground with China. Instead, deteriorating US-Sino relations may represent a more significant risk, given that Taiwan represents a critical geopolitical fault line and could potentially impact a significant portion of our portfolio.

Concentration risk

In addition, it would be remiss of us not to again remind shareholders about the **concentration risk** both within the Trust and the market-cap weighted index around which we construct the portfolio. After another year of large-cap outperformance, this risk remains elevated. At year end, our three largest holdings – NVIDIA, Microsoft, and Alphabet – represent c. 27% and c.35% of our NAV and benchmark respectively while our top five holdings (which additionally includes Apple and Meta) represent c37% and c53% of our NAV and benchmark respectively. We continue to believe that this concentration risk is justified because they are unique, non-fungible assets that capture the zeitgeist of this technology cycle and appear well positioned for AI given their significant scale advantages.

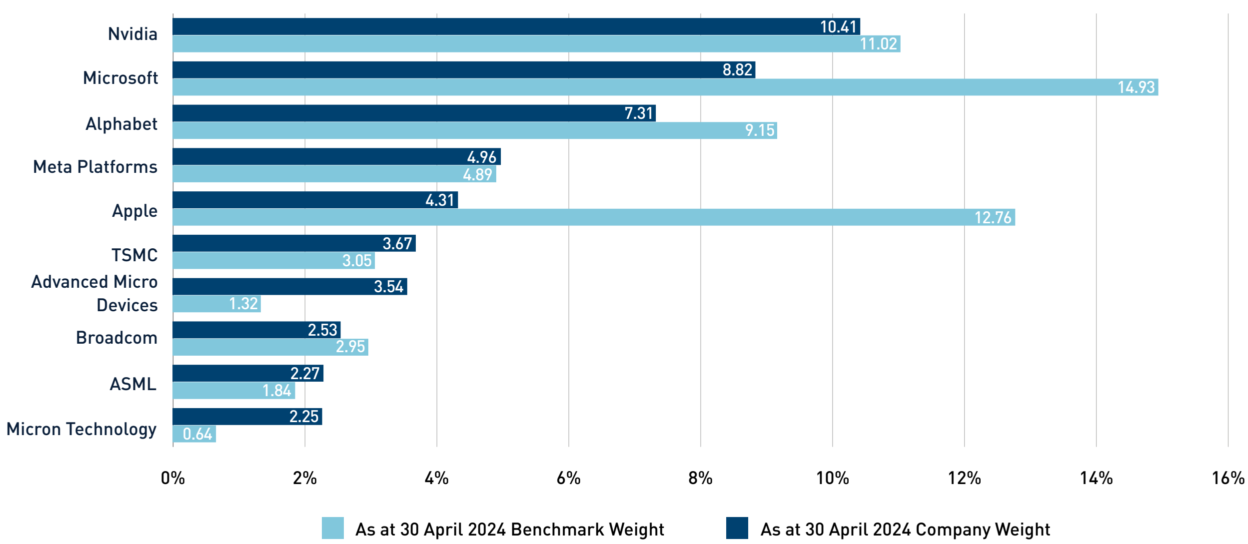
That said, we remain unafraid of the idea of moving to materially underweight positions in the largest index constituents should we become concerned about their growth or return prospects, or should we find more attractive risk-reward profiles elsewhere in the market. This past year, we have meaningfully reduced our Apple position to c820bps underweight at the end of the fiscal year. However, the timing of a more concerted move away from mega-caps remains highly uncertain, not least because in aggregate the stocks continue to enjoy strong relative earnings revisions while valuations remain far from ebullient.

In the meantime, we should remind shareholders that while PCT is able to hold up to a full benchmark weight subject to a maximum limit of 15%, we are unlikely to hold positions much above 10%. When we do so, it is likely to be via smaller equity positions held in combination with a slither of call options designed to ameliorate upside risk in exchange for a modest premium. In the end, we struggle with the notion that we are reducing risk by making the portfolio ever more concentrated. Instead, we continue to believe that a diversified portfolio of AI-exposed growth stocks capable of outperformance, but also constructed to withstand investment setbacks, should deliver superior returns over the medium term, particularly on a risk-adjusted basis.

Conclusion

We hope this (long) outlook section adequately conveys our excitement about Generative AI. **We truly believe the AI story is just beginning.** Where others may predict steady diffusion, we expect AI adoption to follow the pattern of electrification which was "sweeping and widespread". **For now, we (and the Trust portfolio) are heavily focused on the companies helping build the AI 'rails':** chips, systems, storage, networking. We believe these are the most direct beneficiaries of an infrastructure build-out that is only a few quarters old. After decades of understandable investor focus on software enabled by the cloud, **AI has turned the spotlight back to hardware;** the c.25x higher bill of materials of an AI server epitomises an architectural shift away from general purpose cloud in favour of high-performance compute. In addition to large holdings in NVIDIA, AMD and Broadcom, we have added a series of Asian suppliers (PCBs, systems, testers and more) that we expect to benefit from higher ASPs and growing AI share of their revenue mix. We are also intrigued by **edge AI opportunities** in traditional technology segments such as PC and smartphone – markets we typically eschew as growth investors. While we will tread

Company vs Benchmark Weighting



Source: Polar Capital

Investment Manager's Report continued

carefully in these otherwise mature areas, AI has the potential to steepen innovation curves, shorten replacement cycles and render massive PC and smartphone installed bases obsolete. Combined with Cloud and several infrastructure software companies, these **AI enablers** explain around two-thirds of the Trust portfolio today.

In time, there should be other software winners too; for now we have gravitated towards the largest incumbents, particularly those with large, unique, and critical datasets such as Microsoft, SAP, and ServiceNow that are able to monetise their domain expertise via copilots or premium-priced products. Longer-term, we remain unsure about how the *deterministic*, packaged software industry of today will coexist with the *probabilistic* nature of AI models. How will software innovation and codified 'best practice' contend with recursive AI able to *adapt*, *learn* and *iterate*?

While this question is longer-term and more theoretical in nature, there is already genuine investor debate about whether Adobe (not held) – a truly remarkable software company – is a 'winner' or 'loser' from AI less than two years after the launch of ChatGPT. This speaks to the pace of model improvement, as well as the reach and disruptive capabilities of AI. We expect this debate and the shadow cast by AI to extend within software and other technology subsectors as AI becomes ever more capable. This is why we introduced a so-called 'AI lens' to our investment process last year; not only to help us identify potential AI winners, but to ensure that we have properly considered and debated the risks posed by the nascent General Purpose Technology (GPT).

Our approach may appear premature and at odds with the current consensus view that AI will take a reasonably long time to diffuse. History also suggests we might be early given that incumbents can benefit from the early adoption stage of a new GPT as it creates incremental opportunities to leverage existing (if soon to be obsolete) investments, particularly while the new technology is inferior, expensive, or limited in scope. However, if we are right about rapid AI diffusion and model improvement (our base case), investors may have less time than they think to avoid the potential losers from AI. Our experience investing during the internet, cloud and smartphone cycles reminds us it is considerably easier to spot early losers from disruptive new technologies than it is to identify the early winners.

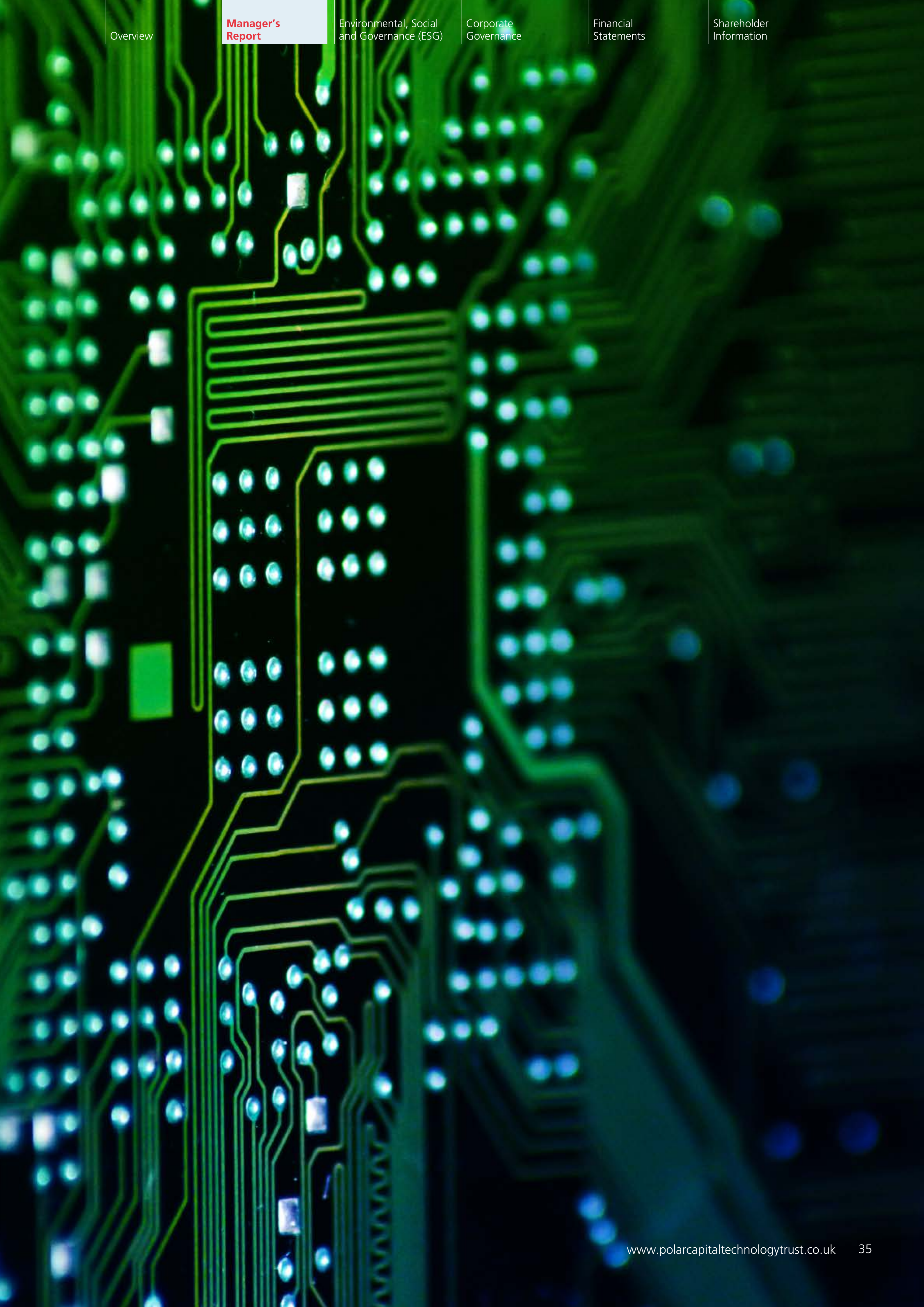
The combination of accelerated infrastructure build-out and concomitant model improvement, together with potential for more rapid disruption elsewhere explains why we have pivoted the portfolio towards AI during the past year. While this may result in somewhat greater daily volatility, our enthusiasm for AI will continue to be matched by a pragmatic (and highly liquid) approach to portfolio construction given heightened levels of uncertainty and opportunity associated with AI disruption and a new computing stack.

Following a number of thematic 'false-starts' in recent years, we understand why some investors might default to bubble at times like this. However, we believe AI represents the next general purpose technology. If so, relationships between computers and humans, humans and ideas, are likely to be upended. One of the biggest impediments to the development of AI has been Polanyi's paradox, that "we know more than we can tell"; tasks which humans can intuitively understand how to perform but cannot verbalise or formally encode. Generative AI may have solved this riddle by finding the unknown relationships across vast bodies of data. In the near future, AI may tell us more than we can know today. At times like this, it may be tempting to seek shelter from the uncertainty that discontinuous technological change brings. Instead, we attempt to embrace the unknown, taking comfort from the fact that many of the smartest people who ever lived were unable to know in advance- as Samuel Morse exclaimed in 1844 in his first telegram -'what hath God wrought'.

Ben Rogoff & Alastair Unwin
Polar Capital Technology Trust

16 July 2024*

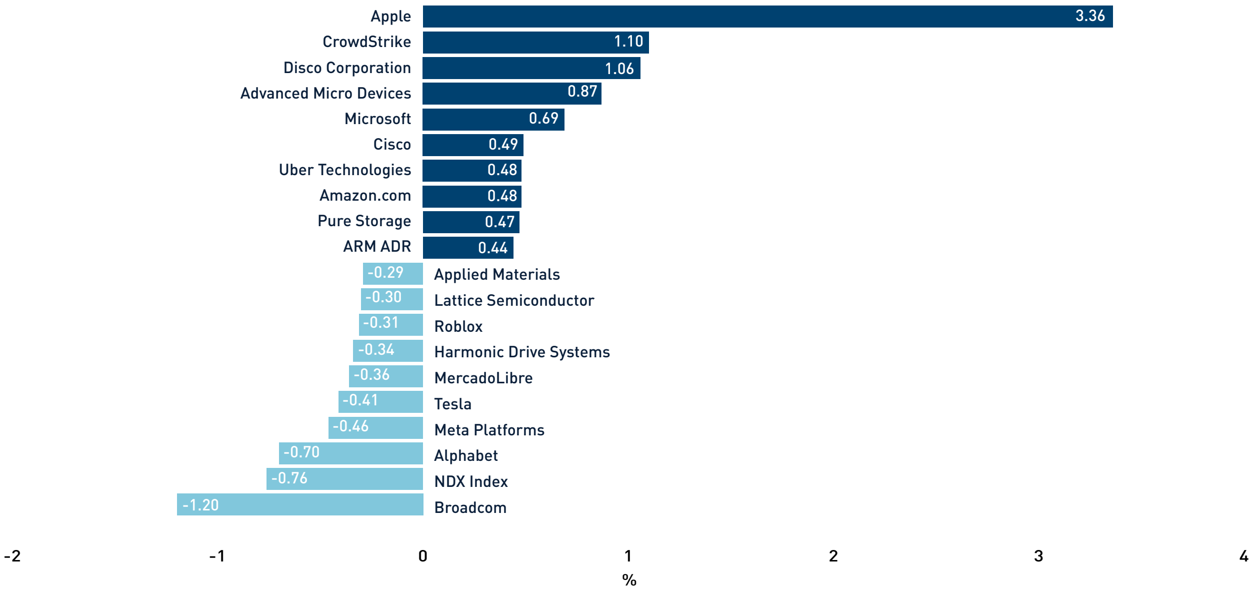
*Data and statistics referenced within the Investment Manager's report may have changed between the financial year end and the date of publication.



Performance Attribution

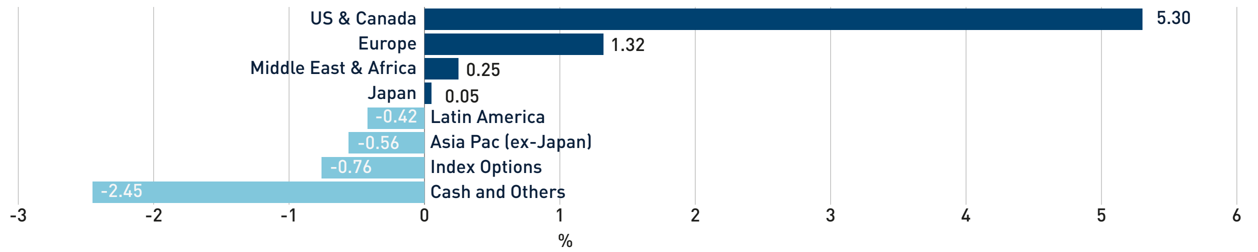
By Stock

The top ten relative contributors and the bottom ten relative detractors from performance over the year to 30 April 2024.



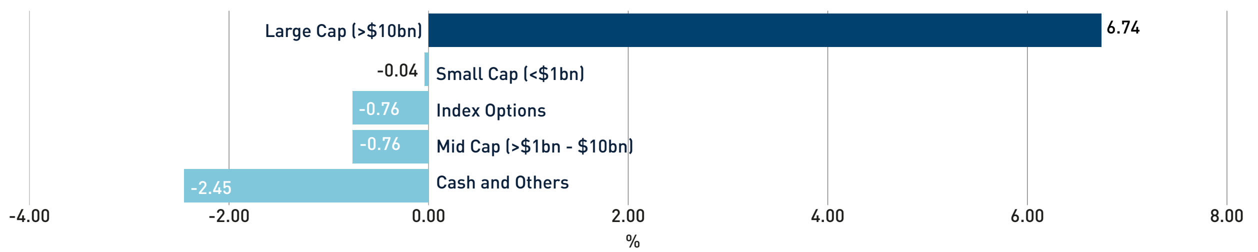
By Region*

year to 30 April 2024



By Market Capitalisation *

year to 30 April 2024



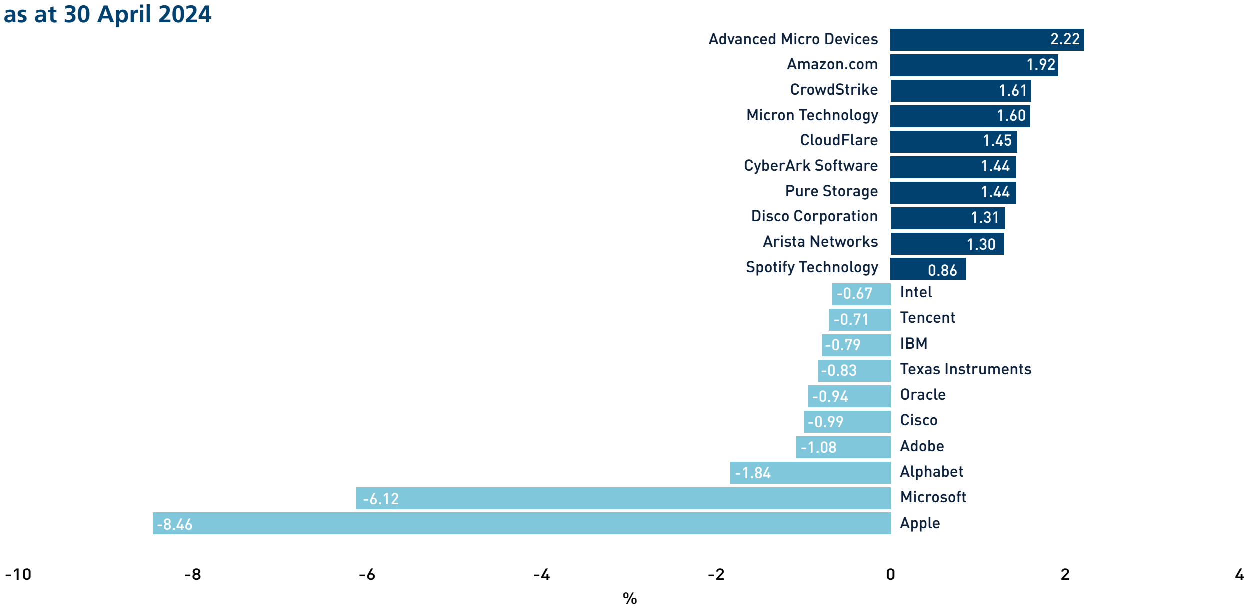
* This represents the gross return of the fund minus the benchmark return. This reflects the attribution effect where the fund's return is compared to the benchmark return (excluding ongoing charges of 0.80%).

All data sourced from Polar Capital LLP.

Portfolio Positioning

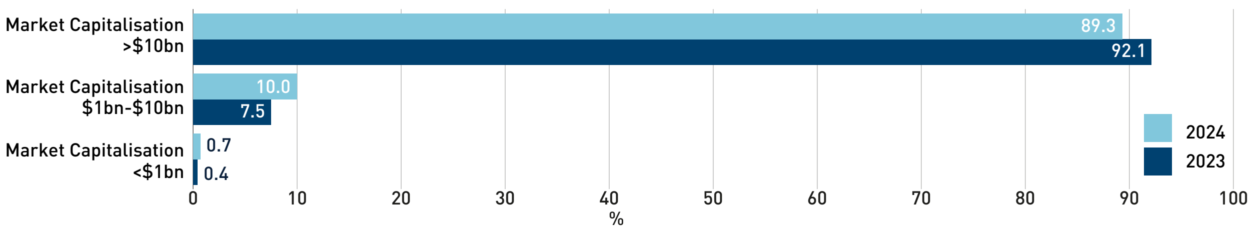
By Relative Stock Weighting

as at 30 April 2024



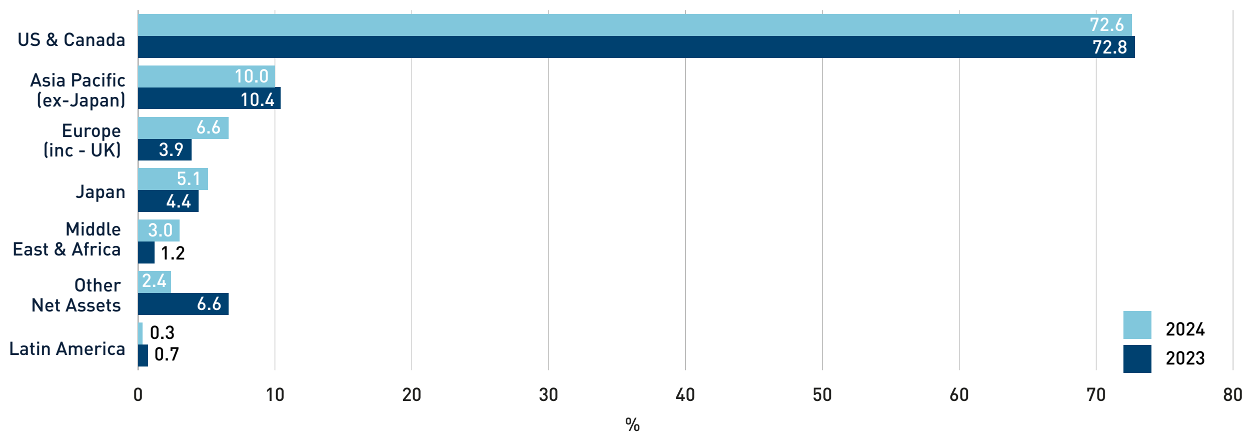
By Market Capitalisation

as at 30 April 2024



By Region

as at 30 April 2024



All data sourced from Polar Capital LLP.

Portfolio Review continued

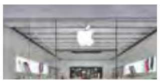
Classification of Investments*

as at 30 April 2024

	North America (inc. Latin America) %	Europe %	Asia Pacific (inc. Middle East) %	Total 30 April 2024 %	Total 30 April 2023 %	Benchmark Weightings as at 30 April 2024 %
Semiconductors & Semiconductor Equipment	23.0	4.5	7.7	35.2	24.0	31.5
Software	19.4	0.7	2.7	22.8	24.1	27.3
Interactive Media & Services	12.6	0.1	0.7	13.4	11.7	16.3
Technology Hardware, Storage & Peripherals	6.0	-	2.2	8.2	13.4	16.8
Electronic Equipment, Instruments & Components	1.2	-	2.6	3.8	1.4	0.4
IT Services	2.8	-	0.2	3.0	4.0	4.6
Entertainment	1.1	1.1	0.3	2.5	1.0	0.3
Broadline Retail	2.2	-	-	2.2	3.3	-
Communications Equipment	1.6	-	-	1.6	1.4	2.1
Aerospace & Defence	0.8	-	-	0.8	0.2	-
Automobiles	0.8	-	-	0.8	1.1	-
Machinery	-	-	0.8	0.8	0.9	-
Hotels, Restaurants & Leisure	0.4	0.1	-	0.5	1.2	0.2
Media	0.5	-	-	0.5	-	-
Building Products	-	-	0.4	0.4	-	-
Healthcare Equipment & Supplies	0.2	-	0.2	0.4	1.0	-
Ground Transportation	0.3	-	-	0.3	0.9	-
Financial Services	-	-	0.2	0.2	3.3	-
Chemicals	-	-	0.1	0.1	-	-
Life Sciences Tools & Services	-	0.1	-	0.1	-	-
Healthcare Technology	-	-	-	-	0.4	-
Electrical Equipment	-	-	-	-	0.1	-
Total investments (£3,713,758,000)	**72.9**	**6.6**	**18.1**	**97.6**	**93.4**	
Other net assets (excluding loans)	2.8	0.2	0.7	3.7	8.4	
Loans	(0.8)	-	(0.5)	(1.3)	(1.8)	
Grand total (net assets of £3,804,533,000)	**74.9**	**6.8**	**18.3**	**100.0**	**-**	
At 30 April 2023 (net assets of £2,828,141,000)	78.9	4.8	16.3	-	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.

Top 10 Investments as at 30 April 2024

Company	Ranking 2024	Ranking 2023	Description	Value of holding £'000 2024	Value of holding £'000 2023	% of total net assets 2024	% of total net assets 2023
NVIDIA Held since: 2016	1	(4)	NVIDIA is a US fabless semiconductor company with leading market share in graphics processing units (GPUs) which have been critical to the advancement of AI and deep learning and sit at the heart of the new parallel computing architecture required for AI. Their products are also used in the gaming, professional visualization and automotive markets.	395,876	130,855	10.4	4.6
Microsoft Held since: 2007	2	(1)	Microsoft develops and sells software, hardware, and cloud services, including the Windows operating system, Office productivity suite, Surface/Xbox hardware and Azure cloud platform. Azure provides extensive AI and machine learning services including via its close relationship with OpenAI, enabling businesses to build and deploy AI models.	335,337	302,791	8.8	10.7
 Held since: 2005	3	(3)	Alphabet, the parent company of Google, offers a wide range of services including Google Search, YouTube, Android mobile OS, Chrome browser, Google Maps and Google Cloud. Alphabet's mission is to organise the world's information and is a pioneer of generative AI as the original 'Transformer model' paper emerged from Google's research in 2017.	278,153	174,388	7.3	6.2
 Held since: 2001	4	(7)	Meta Platforms, formerly Facebook Inc., operates the leading social media platforms including Facebook, Instagram, WhatsApp and Messenger. The company is investing heavily in AI by training its own suite of Llama large language models and continues to invest in developing the Metaverse.	188,666	82,047	5.0	2.9
 Held since: 2003	5	(2)	Apple designs and sells consumer electronics like the iPhone, iPad, Mac computers, Apple Watch, and Apple TV. There are more than 2bn active Apple devices worldwide and Apple's services, including the App Store and iCloud, have driven the company's growth in recent years.	163,959	284,199	4.3	10.0
tsmc Held since: 2001	6	(8)	Taiwan Semiconductor Manufacturing Company (TSMC) is the leading contract semiconductor manufacturer, producing advanced chips for high-performance computing, smartphones and IoT devices. TSMC's chips are integral to AI applications.	139,427	61,421	3.7	2.2
AMD Held since: 2016	7	(5)	Advanced Micro Devices (AMD) designs and manufactures semiconductor products, including CPUs, GPUs, and system-on-chip (SoC) solutions. AMD's GPUs are used for AI applications and CPUs continue to take share from Intel in PCs and servers.	134,752	92,499	3.5	3.3
BROADCOM Held since: 2023	8	(-)	Broadcom develops and supplies semiconductor and infrastructure software solutions, including networking and broadband devices, enterprise storage solutions, and wireless communication chips. Their products support AI by providing the necessary infrastructure for data transfer, storage, and processing in AI systems.	96,108	-	2.5	-
ASML Held since: 2001	9	(10)	ASML manufactures 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.	86,304	49,941	2.3	1.8
Micron Held since: 2021	10	(-)	Micron Technology produces memory and storage solutions, including DRAM, NAND flash memory, and SSDs. These products are critical for AI applications, providing the high-speed data access and storage capabilities needed for training and deploying AI models.	85,513	-	2.2	-
Top 10 investments				**1,904,095**		**50.0**	

Portfolio Review continued

Full Portfolio

Ranking					Value of holding		% of net assets	
2024	2023	Stock	Sector	Region	30 April 2024 £'000	30 April 2023 £'000	30 April 2024 %	30 April 2023 %
1	(4)	Nvidia	Semiconductors & Semiconductor Equipment	North America	395,876	130,855	10.4	4.6
2	(1)	Microsoft	Software	North America	335,337	302,791	8.8	10.7
3	(3)	Alphabet	Interactive Media & Services	North America	278,153	174,388	7.3	6.2
4	(7)	Meta Platforms	Interactive Media & Services	North America	188,666	82,047	5.0	2.9
5	(2)	Apple	Technology Hardware, Storage & Peripherals	North America	163,959	284,199	4.3	10.0
6	(8)	Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Asia Pacific	139,427	61,421	3.7	2.2
7	(5)	Advanced Micro Devices	Semiconductors & Semiconductor Equipment	North America	134,752	94,299	3.5	3.3
8	(-)	Broadcom	Semiconductors & Semiconductor Equipment	North America	96,108	-	2.5	-
9	(10)	ASML	Semiconductors & Semiconductor Equipment	Europe	86,304	49,941	2.3	1.8
10	(-)	Micron Technology	Semiconductors & Semiconductor Equipment	North America	85,513	-	2.2	-
Top 10 investments					**1,904,095**		**50.0**	
11	(14)	CrowdStrike	Software	North America	74,376	36,041	2.0	1.3
12	(11)	Amazon.com	Broadline Retail	North America	73,038	46,756	1.9	1.7
13	(13)	Arista Networks	Communications Equipment	North America	62,166	38,201	1.6	1.4
14	(25)	Cloudflare	IT Services	North America	60,421	29,973	1.6	1.0
15	(59)	Pure Storage	Technology Hardware, Storage & Peripherals	North America	57,835	10,694	1.5	0.4
16	(31)	CyberArk Software	Software	Asia Pacific	56,882	24,330	1.5	0.9
17	(29)	Disco Corporation	Semiconductors & Semiconductor Equipment	Asia Pacific	55,005	26,960	1.4	1.0
18	(16)	KLA-Tencor	Semiconductors & Semiconductor Equipment	North America	47,574	35,072	1.3	1.2
19	(9)	ServiceNow	Software	North America	43,916	51,884	1.2	1.8
20	(6)	Samsung Electronics	Technology Hardware, Storage & Peripherals	Asia Pacific	40,845	83,894	1.1	3.0
Top 20 investments					**2,476,153**		**65.1**	
21	(-)	Spotify Technology	Entertainment	Europe	40,702	-	1.1	-
22	(-)	Synopsys	Software	North America	39,552	-	1.0	-
23	(23)	Qualcomm	Semiconductors & Semiconductor Equipment	North America	39,171	32,525	1.0	1.1
24	(41)	Confluent	Software	North America	32,585	18,140	0.9	0.6
25	(64)	ASM International	Semiconductors & Semiconductor Equipment	Europe	31,519	9,614	0.9	0.3
26	(74)	Axon Enterprise	Aerospace & Defence	North America	31,277	5,357	0.8	0.2
27	(-)	Datadog	Software	North America	30,917	-	0.8	-
28	(50)	Tesla	Automobiles	North America	30,877	13,358	0.8	0.5
29	(27)	Salesforce.com	Software	North America	30,681	27,910	0.8	1.0
30	(-)	Unimicron Technology	Electronic Equipment, Instruments & Components	Asia Pacific	30,078	-	0.8	-
Top 30 investments					**2,813,512**		**74.0**	

Ranking 2024	Ranking 2023	Stock	Sector	Region	Value of holding 30 April 2024 £'000	Value of holding 30 April 2023 £'000	% of net assets 30 April 2024 %	% of net assets 30 April 2023 %
31	(-)	Cadence Design System	Software	North America	28,912	-	0.7	-
32	(-)	Netflix	Entertainment	North America	28,412	-	0.7	-
33	(-)	Quanta Computer	Technology Hardware, Storage & Peripherals	Asia Pacific	27,418	-	0.7	-
34	(12)	HubSpot	Software	North America	26,899	45,203	0.7	1.6
35	(66)	Elastic	Software	North America	26,879	9,134	0.7	0.3
36	(-)	SAP	Software	Europe	26,651	-	0.7	-
37	(-)	Advantest	Semiconductors & Semiconductor Equipment	Asia Pacific	26,645	-	0.7	-
38	(15)	Tencent	Interactive Media & Services	Asia Pacific	26,331	35,666	0.7	1.3
39	(-)	Applied Material	Semiconductors & Semiconductor Equipment	North America	25,924	-	0.7	-
40	(-)	JFrog	Software	Asia Pacific	25,751	-	0.7	-
Top 40 investments					**3,083,334**		**81.0**	
41	(47)	eMemory Technology	Semiconductors & Semiconductor Equipment	Asia Pacific	25,127	14,524	0.7	0.5
42	(35)	MongoDB	IT Services	North America	24,703	22,107	0.6	0.8
43	(-)	Amphenol	Electronic Equipment, Instruments & Components	North America	23,267	-	0.6	-
44	(26)	Shopify	IT Services	North America	21,874	29,497	0.6	1.0
45	(53)	Harmonic Drive Systems	Machinery	Asia Pacific	20,982	12,777	0.6	0.5
46	(-)	Coherent	Electronic Equipment, Instruments & Components	North America	20,575	-	0.6	-
47	(70)	Teradyne	Semiconductors & Semiconductor Equipment	North America	20,228	7,012	0.5	0.2
48	(-)	Monday.com	Software	Asia Pacific	19,936	-	0.5	-
49	(-)	The Trade Desk	Media	North America	19,913	-	0.5	-
50	(57)	E Ink	Electronic Equipment, Instruments & Components	Asia Pacific	19,435	12,028	0.5	0.4
Top 50 investments					**3,299,374**		**86.7**	
51	(-)	DoorDash	Hotels, Restaurants & Leisure	North America	19,289	-	0.4	-
52	(49)	Marvell Technology	Semiconductors & Semiconductor Equipment	North America	16,984	13,879	0.4	0.5
53	(-)	Nitto Boseki	Building Products	Asia Pacific	16,690	-	0.4	-
54	(33)	Tokyo Electron	Semiconductors & Semiconductor Equipment	Asia Pacific	16,318	23,016	0.4	0.8
55	(-)	ARM ADR	Semiconductors & Semiconductor Equipment	Europe	14,683	-	0.4	-
56	(-)	King Slide Works	Technology Hardware, Storage & Peripherals	Asia Pacific	14,362	-	0.4	-
57	(-)	Gold Circuit Electronics	Electronic Equipment, Instruments & Components	Asia Pacific	14,100	-	0.4	-
58	(-)	BE Semiconductor Industries	Semiconductors & Semiconductor Equipment	Europe	13,834	-	0.4	-
59	(-)	Elite Material	Electronic Equipment, Instruments & Components	Asia Pacific	13,469	-	0.4	-
60	(60)	Intuit	Software	North America	13,442	10,538	0.4	0.4
Top 60 investments					**3,452,545**		**90.7**	

Portfolio Review continued

Full Portfolio continued

Ranking 2024	Ranking 2023	Stock	Sector	Region	Value of holding 30 April 2024 £'000	Value of holding 30 April 2023 £'000	% of net assets 30 April 2024 %	% of net assets 30 April 2023 %
61	(42)	Roblox	Entertainment	North America	13,212	17,444	0.4	0.6
62	(46)	Pinterest	Interactive Media & Services	North America	12,816	15,134	0.3	0.5
63	(-)	Fabrinet	Electronic Equipment, Instruments & Components	Asia Pacific	12,655	-	0.3	-
64	(-)	CommVault Systems	Software	North America	12,120	-	0.3	-
65	(24)	Monolithic Power Systems	Semiconductors & Semiconductor Equipment	North America	11,850	32,453	0.3	1.1
66	(-)	SÜSS MicroTec	Semiconductors & Semiconductor Equipment	Europe	11,590	-	0.3	-
67	(82)	Braze	Software	North America	11,516	3,668	0.3	0.1
68	(-)	Kokusai Electric	Semiconductors & Semiconductor Equipment	Asia Pacific	10,810	-	0.3	-
69	(36)	MercadoLibre	Broadline Retail	North America	10,587	20,965	0.3	0.8
70	(-)	Nintendo	Entertainment	Asia Pacific	10,149	-	0.3	-
Top 70 investments					**3,569,850**		**93.8**	
71	(30)	Uber Technologies	Ground Transportation	North America	9,230	25,788	0.3	0.9
72	(75)	GMO Payment Gateway	Financial Services	Asia Pacific	8,623	5,224	0.2	0.2
73	(-)	Dell Technologies	Technology Hardware, Storage & Peripherals	North America	8,545	-	0.2	-
74	(48)	Hoya	Healthcare Equipment & Supplies	Asia Pacific	8,276	14,264	0.2	0.5
75	(71)	Fuji Machine Manufacturing	Machinery	Asia Pacific	8,066	5,680	0.2	0.2
76	(-)	STMicroelectronics	Semiconductors & Semiconductor Equipment	Europe	7,787	-	0.2	-
77	(-)	Nutanix	Software	North America	7,726	-	0.2	-
78	(58)	Kinaxis	Software	North America	7,651	11,909	0.2	0.4
79	(37)	Lattice Semiconductor	Semiconductors & Semiconductor Equipment	North America	7,316	20,572	0.2	0.7
80	(-)	ASMPT	Semiconductors & Semiconductor Equipment	Asia Pacific	7,231	-	0.2	-
Top 80 investments					**3,650,301**		**95.9**	
81	(-)	Nova	Semiconductors & Semiconductor Equipment	Asia Pacific	7,111	-	0.2	-
82	(51)	Intuitive Surgical	Healthcare Equipment & Supplies	North America	6,821	13,230	0.2	0.5
83	(21)	Workday	Software	North America	6,661	33,429	0.1	1.2
84	(-)	Varonis Systems	Software	North America	5,461	-	0.1	-
85	(-)	MEC	Chemicals	Asia Pacific	4,692	-	0.1	-
86	(-)	Wix.com	IT Services	Asia Pacific	4,391	-	0.1	-
87	(-)	Ferrotec	Semiconductors & Semiconductor Equipment	Asia Pacific	4,241	-	0.1	-
88	(-)	Deliveroo	Hotels, Restaurants & Leisure	Europe	4,197	-	0.1	-
89	(18)	Palo Alto Networks	Software	North America	4,101	34,847	0.1	1.2
90	(-)	Hamamatsu Photonics	Electronic Equipment, Instruments & Components	Asia Pacific	3,461	-	0.1	-
Top 90 investments					**3,701,438**		**97.1**	

Ranking					Value of holding		% of net assets	
2024	2023	Stock	Sector	Region	30 April 2024 £'000	30 April 2023 £'000	30 April 2024 %	30 April 2023 %
91	(-)	Klaviyo	Software	North America	2,841	-	0.1	-
92	(76)	Zuken	IT Services	Asia Pacific	2,748	5,187	0.1	0.2
93	(-)	VTEX	Interactive Media & Services	Europe	2,532	-	0.1	-
94	(84)	Seeing Machines	Electronic Equipment, Instruments & Components	Asia Pacific	2,186	3,265	0.1	0.1
95	(-)	Oxford Nanopore Technologies	Life Sciences Tools & Services	Europe	2,012	-	0.1	-
96	(87)	Cermetek Microelectronics	Electronic Equipment, Instruments & Components	North America	1	1	-	-
Total equities					**3,713,758**		**97.6**	
Other net assets					**90,775**		**2.4**	
Total net assets					**3,804,533**		**100.0**	

Note: Asia Pacific includes Middle East and North America includes Latin America.

Environmental, Social and Governance

ESG – Corporate Perspective

This report forms part of the Strategic report section

As an investment trust with a wholly non-executive, independent Board of Directors we delegate the operational aspects of running the Company to third parties, primarily the Investment Manager. However, the ultimate responsibility to stakeholders lies with the Board. We recognise that this includes elements of ESG and over recent years ESG has become ever more important to investors, from a cost, risk and impact perspective across all aspects of the Company.

Despite investment trusts currently having relatively few regulatory reporting requirements in terms of ESG, however we strive to be cognisant of best practice as we pursue a long-term and sustainable future for the Company. ESG is important to the Board and the Manager reports to the Board its detailed assessment of the portfolio in ESG terms and the associated operations of Polar Capital. Whilst the Portfolio Managers integrate ESG considerations into their investment process, they are not required to have consideration of ESG factors when reviewing new, continuing or exiting investments, they are not required to take an investment decision solely on the basis of ESG factors.

On pages 14 to 34 the Investment Manager reports their assessment of the portfolio in ESG terms and the associated operations of the management house, Polar Capital. Below, we separate ESG into those areas that we as a Board can have a direct impact on, and those areas where we are reliant on others.

ESG and third-party service providers

The Manager receives assurance on an annual basis that, where required, third party service providers comply with the requirements of the Modern Slavery Act and adhere to a zero-tolerance policy to bribery and corruption. Considering the growing requirements surrounding ESG, third party service providers have been engaged in providing copies of their ESG, Diversity and Inclusion and other related policies to the Company. The Board, via the Company Secretary and Manager will continue to monitor the practices of service providers and seek to assure Shareholders where appropriate that suitable policies and procedures are in place.

Corporate responsibility

The Company's core investment and administrative activities are undertaken by its Investment Manager which aims to limit the use of non-renewable resources and reduce waste where possible. The Investment Manager has a corporate ESG policy, which is available in the document library of the Company's website, 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 aforementioned, the Portfolio Managers are required to consider ESG factors when reviewing new, continuing or exiting investments but they are not required to take an investment decision solely on the basis of ESG factors.

The Board monitors the Investment Manager's approach to ESG including policies for improving their impact on the environment, 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. Information on the GHG emissions of the Investment Manager can be found within the ESG and Sustainability area of their website.

Taskforce for Climate-Related Financial Disclosures (TCFD)

The Company notes the TCFD recommendations on climate-related financial disclosures. Whilst TCFD is currently not applicable to the Company, the Manager has produced a product level report on the Company in accordance with the FCA's rules and guidance regarding the disclosure of climate-related financial information consistent with TCFD Recommendations and Recommended Disclosures. The report can be found within the corporate information section of the Company's website: www.polarcapitaltechnologytrust.co.uk.

The Board will continue to work alongside its Investment Manager to provide more information as it becomes available. Polar Capital supports TCFD's recommendations and is in the process of applying the guidance to ensure compliance going forward.

Sustainability Disclosure Requirements (SDR)

In November 2023, the UK Financial Conduct Authority published the Policy Statement, setting out its final rules on the UK Sustainability Disclosure Requirements (SDR) and sustainability related investment labels.

The Company and Manager are scoping the implications of this regulation to ensure that it is in compliance with relevant requirements.

Diversity Policy and Gender Reporting

The Company has no employees and the Board is comprised of three female and three male independent non-executive Directors. The Board recognises the structure, size and composition, including the skills, knowledge, gender, ethnicity and experience of Directors, is sufficient for the effective direction and control of the Company.

The Board is mindful of the importance of having a suitably mapped board succession and renewal process in line with corporate governance best practice and the Nomination Committee keeps succession planning under review. The Board has put in place a succession plan based on the recommended nine-year tenure of Directors. The Board will continue to consider the benefits of diversity throughout any recruitment process, especially when compiling a shortlist of candidates and selecting individuals for interview in order to ensure a wide group of candidates. The Board has taken care to take account of this when developing job specifications and in the use of head-hunters who demonstrate an ability to widen the pool of candidates. We are acutely aware that not doing so could mean we do not attract candidates who support the Board as a whole to function as best as it can. The Board's Diversity Policy is discussed further in the Corporate Governance Report on page 49.

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 the 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 their website.

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. The Company has implemented a Conflicts of Interest policy to which the Directors must adhere, in the event of divergence between the Investment Manager's policy and the Company's policy the Company's policy shall prevail. The Company is committed to acting with integrity and in the interests of shareholders at all times.

Risk and Responsibility

The Board has a schedule of principal risks and uncertainties and addresses how these are mitigated on pages 62 to 65; additionally how the directors have undertaken their duties in compliance with s172 of the Companies Act 2006 is provided on pages 66 to 71.

Catherine Cripps
Chair

16 July 2024

ESG – Investment Perspective

The following report describes the approach Polar Capital LLP, as Investment Manager to the Company, takes to ESG and how the policies and practices are applied to the investments made, or considered, in connection with managing the portfolio of the Company.

The terms 'our', 'we', 'us' relate to Polar Capital LLP and specifically the Polar Capital Technology team, on behalf of Polar Capital Technology Trust (the Company).

Integrating ESG into our investment process

Exclusions

In accordance with applicable international treaties, the Company adheres to formal exclusions on all companies that are linked to the production and/or marketing of controversial weapons (cluster munitions; anti-personnel mines; depleted uranium).

ESG analysis

As a team, we use a combination of third-party research and our own proprietary work to carry out ESG analysis at the company level. We have also found a third-party assessment and scoring approach useful as an independent check on a company's ESG profile.

Part 1: Investigate and assess third-party research

We use third-party ESG analysis reports as a useful 'first pass' for company-level analysis as part of a wider assessment. Third party ESG ratings and research aims to measure a company's resilience to long-term, financially relevant ESG risks by scoring a company's exposure to, and management of, the material ESG risks and opportunities in its industry relative to the company's peers.

The limitations of third parties' approach can include issues around data accuracy and timeliness, inappropriate peer groups and a failure to consider fully the context around ESG issues. More significantly, third party research does not always reflect the most material ESG risks and opportunities a company may face when considered through the lens of our domain knowledge and industry experience. We therefore believe it is important to continue to undertake our own proprietary ESG work when assessing companies, and this work must be led by the investment team with oversight and support from Polar Capital's Sustainability team.

We investigate areas where an individual company scores poorly, check the information used to make sure the score is accurate and timely, and take a view on the materiality of the issue or controversy. Many clients and other stakeholders also view the Company's ESG profile through the lens of an external provider, often MSCI, so it is important we can understand and explain what drives this.

Part 2: Proprietary research

We conduct our own proprietary research to assess ESG issues not captured by third-party assessments, often for reasons of methodology or scope, making use of company filings, sustainability reports, sell-side research, news reports and other sources. This helps us assess any material limitations in the data or information relied upon for third-party assessments and allows us to assess companies not covered by third-party providers (such as companies new to the public market).

When considering a prospective new position, a review of a company's ESG risk factors is undertaken. In particular, we assess and document material controversies, legal proceedings, regulatory issues, data breaches or other ESG risk factors. In addition to the controversy reporting provided by MSCI ESG Manager, wherever possible, we reference primary sources such as regulatory filings (for example, 10-K, 20-F, Annual Report, 10-Q), company ESG or Sustainability Reports, governmental websites, (for example, US Department of Justice).

An assessment of good governance is also made, taking into account, among other factors, management structure, employee relations, staff and executive remuneration, and tax compliance.

Technology companies and governance

Governance issues are a fundamental consideration when investing in the technology sector. Many technology companies operate with different governance structures and practices, including limited minority shareholder voting rights, above-average share dilution and option issuance, non-independent boards and, at times, excessive management remuneration. We believe it is important to scrutinise companies on their individual merits and recognise the trade-offs between shareholder rights and the importance of backing management's long-term vision and allowing the company to compete effectively in the marketplace. For example, it may be necessary for a company to issue an elevated level of shares to attract and retain scarce talent in a fast-growing area to support its growth, but such issuance would be excessive should the company's growth not materialise. We consider the impact of share-based compensation on free cash flow, and the makeup and integrity of the Board of Directors as a check on management decisions, especially around dilutive M&A and strategic investments. The Company has invested in many founder-led companies since its inception, and we will continue to use our domain expertise to judge the appropriateness and materiality of each company's governance arrangements and activities.

Stewardship

Engagement: We meet with a large number of companies regularly given the size of our team and typically have many opportunities to raise ESG issues with them. For example, the team met with the ESG director of HubSpot. Among other issues, the team learned how HubSpot approaches the subject of reducing their greenhouse gas emissions and the importance to them of any targets being validated by an independent third party such as the Science Based Targets initiative (SBTi). The team also met with representatives from Samsung Electronics, which is the largest emitter held within the Trust (as measured by the aggregate of Scope 1,2 and 3 emissions). Samsung informed the team that they face challenges in reducing their emissions in a manner consistent with SBTi protocols partly due to the low penetration of renewable power within South Korea's electricity generation mix.

Voting

We use the ISS Benchmark Proxy Voting Guidelines as a starting point for all research and recommendations regarding proxy voting. These recommendations are underpinned by four key principles of accountability, stewardship, independence, and transparency to promote long-term shareholder value creation and risk mitigation through the support of responsible global corporate governance practices. However, we are the final decision-maker on proxy voting and will vote in line with the principles of their investment philosophy and responsible investment process. We will vote by balancing the best interests of the company concerned over the long term, in conjunction with maximising the value of investments managed by us. Each ballot resolution is actively reviewed and assessed especially where ISS recommends voting against management. A record is kept of when and why we vote against either ISS or management. A summary of the voting record is given within the ESG dashboard on pages 50 and 51.

Monitoring and oversight

The portfolio's ESG characteristics are reviewed in detail every four months in the investment oversight meetings with Polar Capital's Chief Investment Officer, Chief Risk Officer, and Head of Sustainability. The oversight meetings cover the portfolio's ESG profile and scoring using third-party data methodology, climate risk assessment and norms and controversies screening, the analysis of which is the starting point for discussion in oversight meetings. In addition, the Company Board reviews a dashboard of key ESG metrics board meetings.

Climate risk assessment data includes an assessment of the portfolio relative to the benchmark on metrics including carbon footprint, carbon intensity of the portfolio stocks and weighted average carbon intensity. It also highlights key high-emissions sectors of allocation within the portfolio, key high-emitting stocks, stocks with exposure to potential stranded assets and climate risk management of the investee companies.

The portfolio is monitored for controversies using third-party norms and controversies research, which evaluates ESG controversies' severity and impact. It is also assessed against alignment with the UN's Global Compact (UNGC), the UN's Guiding Principles on Business and Human Rights, the International Labour Organisation's conventions and the Organisation for Economic Cooperation and Development's Guidelines for Multinational Enterprises.

We use third party ESG Norms and Controversies research to provide deeper insight into companies however, given differing methodologies, tolerances, and assessments of company behaviour, we retain discretion over the assessment of third-party conclusions on a case-by-case basis. We also incorporate an additional layer of oversight using an in-house consultant with expertise in ESG. The purpose of the additional layer of oversight is to ensure we have a detailed understanding of the mechanics of changes in third-party ESG scores at both the investee company and portfolio level, assist with more detailed ESG analysis and to ensure the ESG integration process is being adhered to.

Reporting

The Company Board receives an ESG dashboard as part of the regular board packs which includes metrics regarding the portfolio's third party ESG fund score, the worst-scoring underlying holdings across E, S and G metrics and the portfolio's carbon footprint. The dashboard also has an analysis of our proxy voting activities over the most recent period. A similar dashboard is provided on pages 50 and 51.

The ESG profile of the portfolio is assessed independently by MSCI using their ESG Manager Fund Ratings system. We do not manage the portfolio to maintain a particular relative or absolute MSCI ESG rating.

ESG Dashboard

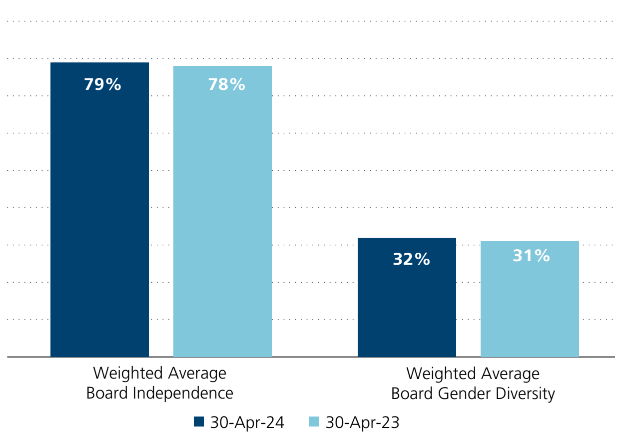
MSCI
ESG RATINGS

A

CCC	B	BB	BBB	A	AA	AAA

The MSCI ESG Rating for funds is designed to measure the resiliency of portfolios to long-term ESG risks and opportunities. The most highly rated funds consist of issuers with leading or improving management of key ESG risks. The ESG Rating is calculated as a direct mapping of ESG Quality Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). The dashboard allows the Board to review the ratings of investee companies within the portfolio and informs discussions between the Board and Manager at Board meetings. All charts provided below are in respect of the portfolio as at 30 April 2024 / 30 April 2023.

Corporate governance



MSCI ESG Rating

2024	Portfolio
Weighted Average ESG Score / Quality Score	**6.7**
Letter Rating	**A**

2023	Portfolio
Weighted Average ESG Score / Quality Score	**6.6**
Letter Rating	**A**

Top 5 Rated Holdings 2024

Security	Rating	Change
Applied Materials, inc.	AAA	↑
Hoya Corporation	AAA	→
ASML Holding n.V.	AAA	→
Nvidia Corporation	AAA	→
Taiwan Semiconductor manufacturing co., Ltd.	AAA	→

Source: MSCI

Top Five Rated Holdings 2023

Security	Rating	Change
Hoya Corporation	AAA	↑
Kinaxis inc	AAA	↑
ASML Holding n.V.	AAA	→
Workday, inc.	AAA	↑
Microsoft Corporation	AAA	→

Bottom 5 Rated Holdings 2024

Security	Rating	Change
Zuken inc.	CCC	→
Pinterest, inc.	B	↓
Meta Platforms, inc.	B	↑
The Trade Desk, inc.	B	→
Harmonic Drive Systems inc.	B	→

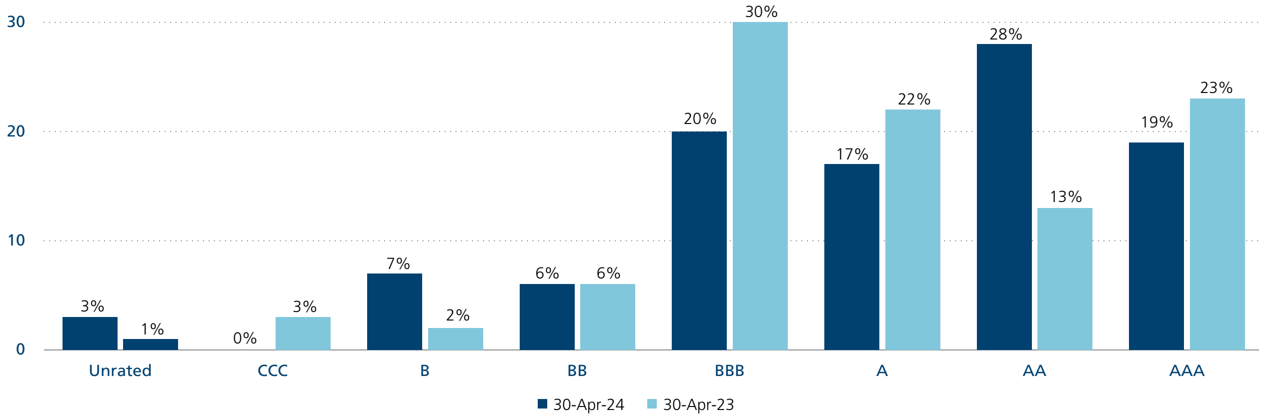
Source: MSCI

Bottom Five Rated Holdings 2023

Security	Rating	Change
Zuken inc.	CCC	→
Meta Platforms, inc.	CCC	↓
SiTime Corp	B	→
Harmonic Drive systems inc.	B	→
eMemory Technology inc	B	→

MSCI Distribution of Ratings

47% of the fund's weighted portfolio holdings receive an MSCI ESG Rating of AAA or AA (ESG Leaders) and 7% receive an MSCI ESG Rating of B or CCC (ESG Laggards).



Weighted average carbon intensity

The fund's holdings have low carbon intensity, based on the weighted average carbon emissions per USD million sales.

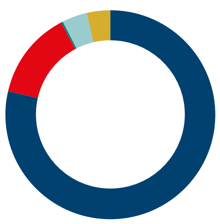
Voting Record 2024

Category	Number	Percentage
Number of votable meetings	97	
Number of meetings voted	95	98.0%
Number of meetings with at least 1 vote Against, Withhold or Abstain	51	52.6%

Source: MSCI, ISS

Voting Record 2023

Category	Number	Percentage
Number of votable meetings	108	
Number of meetings voted	107	99.1%
Number of meetings with at least 1 vote Against, Withhold or Abstain	57	52.8%



Vote cast statistics 2024

Number of votes FOR	78.9%
Number of votes AGAINST	13.4%
Number of votes ABSTAIN	0.4%
Number of votes WITHHOLD	3.8%
Number of votes on Management Say on Pay	3.5%

Source: MSCI, ISS

Vote Cast Statistics 2023

Number of votes FOR	74.6%
Number of votes AGAINST	10.2%
Number of votes ABSTAIN	0.2%
Number of votes WITHHOLD	6.6%
Number of votes on Management Say on Pay	8.4%

Corporate Governance

Strategic Report

This report forms part of the Strategic report section

This report has been provided in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The aim of this report is 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 2024, the position of the Company at the year end and a description of the principal risks and 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.

Investment Objective and Policy

While observing the Dow Jones Global 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 recent 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.

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. No changes to the Investment Policy are presently anticipated.

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.

Such limits are 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.

Strategic Report continued

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 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 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 and the benefits of diversification.

Gearing and Derivatives

The Company's Articles of Association permit borrowings up to the amount of its paid-up share capital plus capital and revenue reserves. 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 loan facilities with ING Bank NV: one for 36m US Dollars at a fixed rate of 5.43% pa and one for 3.8bn Japanese Yen at a fixed rate of 1.13% pa, both of which were drawn down in September 2022. These loans fall due for repayment in September 2024. The loan facilities will be reviewed and may be replaced on expiry.

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 (2023: no dividend recommendation).

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 website services which it arranges through Huguenot Limited, and administrative services, including accounting, portfolio valuation and trade settlement which it has arranged to deliver through HSBC Securities Services ('HSS' or "the Administrator").

The Company also contracts directly, on terms agreed periodically, with a number of third parties for the provision of specialist services. The cost of the services outlined below are paid for directly by the Company and are separate from the Investment Management Fee payable to Polar Capital:

- Stifel Nicolaus Europe Limited as Corporate Broker;
- Equiniti Limited as Share Registrars;
- HSBC Securities Services as Custodian and Depositary;
- RD:IR for Investor Relations and Shareholder Analysis;
- Camarco as PR advisors; and
- Perivan Limited as designers and printers for shareholder communications.

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.

Polar Capital provides a team of technology specialists led by Ben Rogoff. Each team member focuses on specific areas while Ben Rogoff, with Alastair Unwin as Deputy, 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 10 and 11. The Investment Manager has other investment resources which support the investment team and has experience in administering and managing other investment companies.

Fee Arrangements

Under the terms of the Investment Management Agreement, the Company pays to the Investment Manager a base fee, and if certain performance criteria are met, a performance fee is payable by the Company.

Management fee

With effect from 1 May 2022, the base management fee paid by the Company monthly in arrears to the Manager is calculated on the daily Net Asset Value ('NAV') as follows:

- Tier 1: 0.80 per cent. for such of the NAV up to and including £2bn;
- Tier 2: 0.70 per cent. for such of the NAV between £2bn and £3.5bn; and
- Tier 3: 0.60 per cent. for such of the NAV above £3.5bn.

Any investment in funds managed by Polar Capital are wholly excluded from the base management fee calculation. Management fees of £25,919,000 (2023: £21,918,000) have been paid for the year to 30 April 2024 of which £2,386,000 (2023: £1,827,000) was outstanding at the year end.

Under the terms of the IMA, the Board may undertake a three-yearly review of the fee arrangements, the next of which would normally commence in 2024, with the anticipation that any changes proposed and subsequently agreed will take effect from the start of the following financial year. The Board is however at liberty to review the fees at any time should they deem it appropriate and in the best interests of Shareholders to do so.

Further details on the performance fee methodology and calculation are provided on page 135 within the Shareholder Information section.

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 believes that despite the market volatility and geopolitical events experienced during the financial year under review, there continues to be a strong 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 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 2029, the Board has taken into account:

The ability of the Company 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, the principal risks as set out on pages 62 to 65 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. The portfolio comprises a spread of investments by size of company, traded on major international stock exchanges. 99.6% 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 2024 (excluding performance fees) were 0.80% (2023: 0.81%). Repayment of the bank facilities, drawn down at the year end, and due in September 2024, would equate to approximately 47% of the cash or cash equivalents available to the Company at 30 April 2024, 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 positive long-term performance is achieved over the period until the next continuation vote shareholders will vote in favour of continuation.
Factors impacting the forthcoming years	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 62 to 65.
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 or untenable in comparison to other competitive products.
Closed-ended Investment Funds	Despite recent high discounts across the sector, it is believed 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.

Strategic Report continued

Further, the Board recognises that there has been significant progress made 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. The Board therefore have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the five years to 30 April 2029.

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 liquidity position and its assessment. In addition, the Company's cash flows were stressed tested for base case and reasonable worse case scenarios. Further detail on the assessment for going concern is provided in the Report of the Audit Committee on page 82 and in Note 2(a) of the Financial Statements.

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 is aware of the vulnerability of a sector specialist investment trust to a change in investor sentiment to that sector.	The Board reviews the performance of the portfolio in detail and hears the views of the Investment Manager at each meeting. 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.	At 30 April 2024 the total net assets of the Company amounted to £3,804,533,000 (2023: £2,828,141,000). The Company's NAV over the year to 30 April 2024, outperformed the Benchmark by 1.9%. The NAV per share rose by 40.8% from 2,239.48p to 3,154.11p while the Benchmark increased 38.9% in Sterling terms over the same period. As at 30 April 2024 the portfolio comprised 96 (2023: 87) investments. Investment performance is explained in the Chair's Statement and the Investment Manager's Report. The performance of the Company over the longer-term is shown by the ten year historic performance chart on page 3.
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 reducing 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 discount/premium of the ordinary share price to NAV per ordinary share (diluted when appropriate) has been as follows: Financial year to 30 April 2024: • Minimum discount over year: 7.41% • Maximum discount over year: 15.87% • Average discount over year: 12.38%

KPI	Control Process	Outcome
	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 will continue to do so. This approach does not preclude a more active approach as discounts widen and the Investment Manager may consider that a single purchase or a series of purchases of shares in current or greater volumes, which would enhance the Company's NAV per share, would be an attractive investment of the Company's cash resources, given the positive long-term prospects for the Company's portfolio. As always, the Board keeps the level of discount under careful review and has been buying back shares actively at levels set out in the adjacent column.	In the year ended 30 April 2024, the Company bought back 5,663,975 ordinary shares (representing 4.1% of the issued share capital) at an average discount of 12.3%. Subsequent to the year end and to close of business 11 July 2024, the Company bought back a further 964,346 shares. Over the previous five financial years ended 30 April 2024: • Maximum premium over period: 6.06% • Maximum discount over period: 17.28% • Average discount over period: 8.22% Over the previous five financial years ended 30 April 2024 the Company has issued 3,490,000 Ordinary shares as a result of market demand.
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 2024 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 and costs of services provided by third parties. The annual operating expenses are reviewed and any non-recurring project related expenditure is approved separately 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 2024 excluding the performance fee were 0.80% of net assets (2023: 0.81%). There was no performance fee payable for the year ended 30 April 2024 (2023: nil) and therefore the ongoing charges including the performance fee were 0.80% (2023: 0.81%) of net assets.

Strategic Report continued

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. 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. During the year under review, the Audit Committee undertook a full review of the content and format of the Company's Risk Map including the mitigating factors and controls associated with each risk. As part of this process, the Committee also introduced a risk appetite rating for each risk to clearly define the types of risk the Board and Manager are willing to take to achieve the Company's objective of maximising shareholder returns whilst operating within a strong governance and control framework.

The Committee also identifies any emerging risks during its review process and continues to closely monitor these risks as they develop, implementing mitigating actions as necessary. Emerging risks during the financial year under review included the geopolitical landscape, consolidation of wealth managers and the rise of post truth politics, the latter having the potential to ensnare Big Tech in the ensuing political fallout. In addition, further consideration was given to the deterioration of relations between China and Taiwan, using a detailed horizon analysis to assess the medium and longer term impacts on the Company's portfolio.

The Principal Risks post mitigation 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.

Risk Cycle

Principal Risks and Uncertainties continued

Management of risks through Mitigation & Controls	Trend year on year
PORTFOLIO RISK	
Failure to achieve investment objective on an absolute or relative basis.	↔
Regular reporting and monitoring of the Company's investment performance against peer group, benchmark and detailed annual review of investment strategy with Investment Manager. Clear communication with Shareholders on the investment strategy through annual, half year reports and monthly factsheets. The Investment Manager also visits large shareholders and has regular interaction with clients.	
Portfolio management errors including breach of investment policy.	↔
Investment limits and restrictions are encoded into dealing and operations systems of the Manager to ensure there is early warning of any potential issue of compliance or regulatory matters. HSBC Depositary oversees all trades and monitoring against investment limits.	
OPERATIONAL RISK	
Failure in services provided by Investment Manager (Polar Capital LLP).	↔
Compliance, trading and risk oversight by fully resourced and expert Polar Capital compliance, operations and risk functions.	
Accounting / Financial and/or Custody Errors.	↔
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. Accounting records are tested, and valuations verified independently as part of the year-end financial reporting process.	
Failure of Depositary, Custodian, Sub-Custodian or Deposit taker.	↔
Due diligence and service reviews are undertaken with third-party service providers including the Custodian and Depositary with any exceptions highlighted to the Board.	
Unforeseeable natural disaster or other unpredictable event ("Black Swan").	↔
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.	
IT Failure, Fraud and Cyber Risk.	↑
Annual review of internal control reports from suppliers including cyber protocols and disaster recovery procedures. Following the year under review, the Board agreed to elevate the post-mitigation score associated with this risk in light of the increased potential for fraud and cyber attacks. The pre-mitigation remains unchanged.	

↑ Increase ↓ Decrease ↔ Unchanged

Strategic Report continued

Principal Risks and Uncertainties continued

Management of risks through Mitigation & Controls	Trend year on year
REGULATORY RISK	
Breach of Statutes and Regulations.	↔
Polar Capital Compliance & Operations ensure a strong compliance environment and report to Board on an annual basis. There is an independent risk function at Polar Capital. AIFMD limits are hardcoded into Bloomberg and monitored by the Operations and Compliance teams. The Depositary also monitors AIFMD limits and reports exceptions to the Board. In addition, the Fund Accounting Manager reports to the Board on a monthly basis through the Investment Limits schedule. 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 monitors regulatory change with the assistance of the Investment Manager, Company Secretary and external professional suppliers and implements necessary changes should they be required.	
Failure to effectively communicate significant events to the shareholder and investor base.	↔
Polar Capital Sales Team and the Corporate Broker provide periodic reports to the Board on communications with shareholders and feedback received. Experienced sales and client services team maintain the Company's website and ensure it contains documents holding relevant information and presentations from the Manager. Annual, half year reports and monthly factsheets are prepared by experienced company secretaries or specialist advisors. Statutory/regulatory documentation is compiled and checked by legal advisors, auditors or brokers (when necessary) and the Board undertakes a review prior to publication. Once published, the Chair offers annual meetings with shareholders.	
ECONOMIC AND MARKET RISK	
Global geopolitical risk affecting changes in policy regarding taxes/assets, tariffs, trade agreements (NAFTA, China, Mexico), immigration and political tensions.	↑
The impact on the portfolio from geopolitical changes is monitored through existing control systems such as the monthly investment limits schedule. The Investment Manager regularly reports to the Board on geographic influences, the macro economic outlook and matters of interest in relation to the portfolio and utilises horizon scanning where appropriate.	
Uncertainty in regulatory environment.	↔
Potential regulatory change as a result of the changing political environment is closely monitored by the board with the help of the company secretary. The Investment Manager's Operations team monitors FX and interest rate exposure of portfolio. Note 27 describes the impact of changes in foreign exchange rates.	

↑ Increase ↓ Decrease ↔ Unchanged

Management of risks through Mitigation & Controls	Trend year on year
KEY STAFF RISK	
Loss of Portfolio Manager or other key professionals by the Investment Manager through resignation, redundancy or change of control.	⟷
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. Key personnel are incentivised by equity participation in the investment management company. Ali Unwin was appointed as Deputy Fund Manager and is responsible for managing the portfolio of the Company alongside Ben Rogoff, Lead Manager since 1 May 2006.	
The Board has insufficient resource and breadth of experience to oversee its operations.	⟷
Respected industry recruiters are used to source suitably experienced candidates for non-executive directorships with detailed succession planning and skills analysis driving the recruitment process at Board level. 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 ↓ Decrease ⟷ Unchanged

Section 172 Statement

This report forms part of the Strategic report section

The statutory duties of the Directors are detailed in s171-177 of the Companies Act 2006. The Board recognises that under s172, Directors have a duty to promote the success of the Company for the benefit of its 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 wider 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 good practice, legislative and regulatory developments. They also have continued access to the advice and services of the Company Secretary and, where deemed necessary, the Directors may 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 shareholders and stakeholders and these are taken into account during all of its discussions and as part of its decision-making process. 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 shareholder engagement 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 Portfolio Manager has held numerous face to face meetings and interacted with a number of shareholders and institutions in addition to presenting at a number of conferences during the year. Where appropriate, directors are invited to attend these conferences to meet with shareholders and prospective investors; in addition, the annual Investor Relations dinner was again held in October 2023. Positive feedback was received from all attendees of the dinner who welcomed the opportunity to interact with the Board and Manager. The Chair will write to the Company's largest shareholders following the publication of the Annual Report and Financial Statements offering the opportunity to meet to discuss any matters of interest or concern. The Company's next AGM will be held at 2:30pm on Wednesday 11 September 2024 at The Royal Institution, 21 Albemarle Street, London, W1S 4BS. The Board recognises that the AGM is an important event for shareholders and the Company and is keen to ensure that shareholders are able to exercise their right to attend, vote and participate. Shareholders will also be able to watch the proceedings of the AGM live via Zoom Conference. Details of how to access the online link are provided in the Notice of AGM. Once again, we will be inviting feedback from shareholders and will take this into account when planning the 2025 meeting. The Board believes that shareholder engagement remains important 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 will give an in-person presentation and the Chair of the Board and all members of the Board will be in attendance and will be available to respond to questions and concerns from shareholders.

Stakeholder Group	How we engage with them
	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 next Annual Report will detail the impact the shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed.
	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 shareholder meetings attended and any concerns that have been raised in those meetings. The Board also reviews correspondence from shareholders and may attend investor presentations. The Chair has met with shareholders during the year and responded to comments raised both at the AGM and via email. Shareholders are able to raise any concerns directly with the Chair or the Board without intervention of the Manager or Company Secretary, they may do this either in person at the AGM or at other events, or in writing either via the registered office of the Company or to the Chair's specific email address **Chair.pctt@polarcapital.co.uk**. 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.

Section 172 Statement continued

Stakeholder Group	How we engage with them
	Outcomes and strategic decisions during the year **AGM** This year the Board will hold a physical AGM. However, in order to provide those shareholders who are unable to attend the AGM physically with an opportunity to view the AGM, the Board will make a zoom link available to enable shareholders to watch the proceedings of the AGM live via Zoom Conference. Details of how to access the online link are provided in the Notice of AGM. Further details can be found on pages 135 to 136 of the shareholder information section. **Buybacks** Further to shareholder authority being granted, the Company 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 5,663,975 shares during the year under review. Subsequent to the year end and to close of business 11 July 2024, the Company bought back a further 964,346 shares. **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 2024.Consideration of the future level of borrowings required by the portfolio manager is currently under review. Please see note 116 for further information. **Continuation Vote** The Company has within its corporate structure the requirement to hold a continuation vote every five years; ahead of each vote the Board, Investment Manager and Corporate Broker seek the feedback of shareholders including any concerns, and an indication of whether they were likely to vote in favour of the Company's continuation. The last continuation vote was held in September 2020, for which 100% of the votes cast were in favour, and the next continuation vote will be held at the AGM in September 2025. **Share Split** As reported in the Chair's statement, the market price of the Company's existing ordinary shares has increased in recent years. Whilst this is positive for the Company and its Shareholders, the Board recognises that a higher share price could be a barrier to investment for certain investors including regular savers who may wish to invest smaller amounts per transaction on a regular basis. In order to ensure the Company remains accessible to all, the Directors are proposing a 10 for 1 share split at the AGM taking place in September 2024. Detailed explanations of the resolutions to be proposed at the AGM are contained within the Shareholder Information section on pages 135 to 136 of this document as well as the Notice of AGM. **Directors' Remuneration** The remuneration of Directors is reviewed regularly and was increased with effect from 1 May 2023 and again from 1 May 2024, to reflect the rise in inflation and bring the fees of the Directors more in line with the wider market. Further details are provided in the Report of the Remuneration Committee in the annual report.

Stakeholder Group	How we engage with them
Investment Manager	**Engagement** Through the Board meeting cycle, 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 Management Policy and reviewing the agreed management and performance fees; • Ensuring excessive risk is not undertaken in the pursuit of investment performance; • Reviewing the Investment Manager's decision making and consistency in investment process; • Ensuring compliance with statutory legal requirements, regulations and other advisory guidance such as consumer duty and aspects of operational resilience; 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. **Outcome and Strategic Decisions during the year** **ESG** The Board continued to engage with the Investment manager to understand how ESG has been integrated into the overall house style, the technology team investment approach and decision making as well as the methodology behind this. The Board also receives information on how ESG affects Polar Capital as a business and the technology team in particular. **Consumer Duty** The Board continues to work with the Investment Manager to ensure the obligations of the new Consumer Duty regulations are appropriately applied to the Company. All communications including the website, fact sheets and other published documentation are reviewed regularly to ensure they are appropriate for all end users. **Management** The Management Engagement Committee has recommended the continued appointment of the Investment Manager on the terms agreed within the Investment Management Agreement.

Section 172 Statement 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. In the event that an investee company has share blocking in place, the default position is to refrain from voting to ensure the ability to trade these stocks if required. During the year ended 30 April 2024, votes were cast at 98% of investee company general meetings held. At 52% of those meetings a vote was either cast against management recommendation, withheld or abstained from. Further information on how the Investment Manager considers ESG in its engagement with investee companies can be found in the ESG Report on pages 46 to 51. **Outcomes and strategic decisions during the year** During the year the Board discussed the impact of ESG and other market factors and how the Investment Manager factors these into its strategy, investment and decision-making process. The Board receives information on the ratings of investee companies and is able to use this as tool to inform discussions with the Manager during Board meetings.
Service Providers	**Engagement** The Directors have frequent engagement with the Company's other key service providers through the annual cycle of reporting, site visits and due diligence meetings. 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. During the year under review, due diligence meetings have been undertaken by the Investment Manager and where possible, service providers have joined 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 shareholders and the Company as a whole. 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, through due diligence undertaken by the Company Secretary and the Polar Capital Compliance team, is satisfied that the service received continues to be of a high standard.

Stakeholder Group	How we engage with them
Proxy Advisors	**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. **Outcomes and strategic decisions during the year** Where possible the Chair and other representatives of the Company have engaged with the stewardship teams of some larger investors to understand and address their expectations in terms of board governance, recruitment and diversity. Prior to the Company's AGMs, the Company engages with agencies including PIRC and ISS to fact check their advisory reports and clarify any areas or topics contained within the report. 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.
The AIC	**Engagement** The Company is a member of the AIC and has supported lobbying activities. Representatives of the Manager sit on a variety of forums run by the AIC which aids development and understanding of new policies and procedures. The Directors may cast votes in the AIC Board Elections each year and regularly attend AIC events.

Approved by the Board on 16 July 2024

By order of the Board

Jumoke Kupoluyi, ACG
Polar Capital Secretarial Services Limited

Company Secretary

Report of the Directors

The Directors, who are listed on pages 8 and 9, present their annual report, together with their Report on Corporate Governance and the Audited Financial Statements for the year ended 30 April 2024. In addition, the attention of Shareholders is drawn to the Strategic Report Section (Chair's Statement, the Investment Manager's Report, Strategic Report, and the ESG and Section 172 Statements) which provides 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, operating 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). Its ordinary shares are listed and traded on the London Stock Exchange.

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.

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 8 and 9. All the Directors held office throughout the year under review. In accordance with the AIC Code, which recommends that Directors are re-elected annually, all Directors with the exception of Charlotta Ginman, who will be retiring following 9 years continuous service, will seek re-election at the AGM in September 2024. 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 8 and 9. The Corporate Governance report on page 79 provides more information on the composition of the Board.

Financial Instruments

The Company's financial risk management objectives and policies arising from its financial instruments and its exposure to risk are disclosed in note 27 to the Financial statements.

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 75 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 2024, there were 137,315,000 ordinary shares in issue of which 16,693,431 were held in treasury (2023: 11,029,456 ordinary shares held in treasury). As at close of business on 11 July 2024, the latest practicable date prior to signing of this report, there were 137,315,000 ordinary shares in issue of which 17,657,777 were held in treasury.

Changes During the Year

In the year under review, the Company bought back 5,663,975 ordinary shares (representing 4.1% of issued share capital) which were placed into treasury. Since the year ended 30 April 2024 to close of business 11 July 2024, a further 964,346 shares have been bought back and placed in treasury. Further details can be found in Note 18 on page 116 to the Financial Statements.

Further information on transferability and the voting rights attached to these shares can be found in the shareholder information page 137.

Powers to issue and make market purchases of ordinary shares

The Board was granted authority by shareholders at the AGM in 2023 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. 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 2023 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 20,583,518 ordinary shares, for cancellation or holding as treasury shares in accordance with the terms and conditions set out in the resolution.

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.

These powers to issue and make market purchases of ordinary shares will expire at the AGM to be held in September 2024 and renewal of the authorities will be sought at that AGM.

Share Split

The market price of the Company's existing Ordinary shares ('**Existing Ordinary Shares**') has increased in recent years and particularly during the financial year under review with the Company's Ordinary shares now trading regularly above £30 per Ordinary share. To assist monthly savers or those looking to invest smaller amounts, the Directors believe that it is appropriate to propose the sub-division of each of the existing Ordinary shares of 25 pence each into ten new shares of 2.5 pence each (the '**New Ordinary Shares**') pursuant to Resolution 10 at the Annual General Meeting (the '**Sub-division**'), thereby resulting in a lower market price per Ordinary share. The Directors believe that the Sub-division may also improve the liquidity in and marketability of the Company's Ordinary shares, which would benefit all shareholders. The Sub-division requires shareholder approval and, accordingly, Resolution 10 seeks such approval.

Following the Sub-division, each shareholder will hold ten New Ordinary Shares for each Existing Ordinary Share they held immediately prior to the Sub-division. Whilst the Sub-division will increase the number of Ordinary shares the Company has in issue, the net asset value per Ordinary share and market price immediately after the Sub-division are expected to become one-tenth of their respective values immediately preceding the Sub-division and in aggregate equate to the same respective values.

A holding of New Ordinary Shares following the Sub-division will represent the same proportion of the issued Ordinary share capital of the Company as the corresponding holding of Existing Ordinary Shares immediately prior to the Sub-division. The Sub-division will therefore not itself affect the overall value of a shareholder's holding in the Company.

The New Ordinary Shares will rank equally with each other and will carry the same rights and be subject to the same restrictions (save as to nominal value) as the existing Ordinary shares.

The Sub-division is conditional on the New Ordinary Shares being admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities ("**Admission**"). If the resolution is passed and the Company's Admission applications are accepted, it is proposed that the last day of registration of transfers in the Existing Ordinary Shares will be 12 September 2024 (with the record date for the Sub-division being 6:00 p.m. on that day) and the effective date for dealings to commence in the New Ordinary Shares will be at 8.00 a.m. on 13 September 2024 or such later date as the Directors may in their absolute discretion determine.

The New Ordinary Shares may be held in certificated or uncertificated form. Following the Sub-division becoming effective, share certificates in respect of the Existing Ordinary Shares will cease to be valid and will be cancelled. New certificates in respect of the New Ordinary Shares will be issued to those shareholders who hold their Existing Ordinary Shares in certificated form, and are expected to be dispatched by 27 September 2024. No temporary documents of title will be issued. Transfers of New Ordinary Shares between the date of Admission of the New Ordinary Shares and the dispatch of new certificates will be certified against the Company's register of members held by the Company's registrar. It is expected that the ISIN of the Existing Ordinary Shares will be disabled in CREST as at the close of business on 12 September 2024 and that the New Ordinary Shares will be credited to CREST accounts on 13 September 2024. The New Ordinary Shares will have a new ISIN (being BR3YV26) and SEDOL (being GB00BR3YV268).

For any queries relating to the proposed share split, please contact Equiniti on +44 (0) 333 207 5963 or email **cosec@polarcapital.co.uk**

Report of the Directors continued

Major interests in ordinary shares

As at the year end of 30 April 2024, 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	18,393,836	15.37%
Brewin Dolphin Ltd	Indirect	9,946,829	8.31%
Quilter plc	Indirect	6,704,725	5.60%
Lazard Asset Management LLC	Both	6,383,454	5.33%

~ position following the all-share combination of Rathbones Group Plc with Investec Wealth & Investment Limited

* The above percentages are calculated by applying the ordinary shareholdings as notified to the Total Voting Rights of the issued ordinary share capital as at close of business 11 July 2024 of 119,657,223 and do not necessarily match the submitted TR1's.

Environmental, Social and Governance ("ESG")

The Board is responsible for the corporate elements of ESG and for ensuring ESG is factored into the investment process. Details of how ESG is considered and where corporate requirements are met is provided on pages 46 to 51.

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.

Annual General Meeting

The AGM of the Company will be held on Wednesday 11 September 2024. Please see pages 135 and 136 for further information on the resolutions to be proposed at the meeting.

By order of the Board

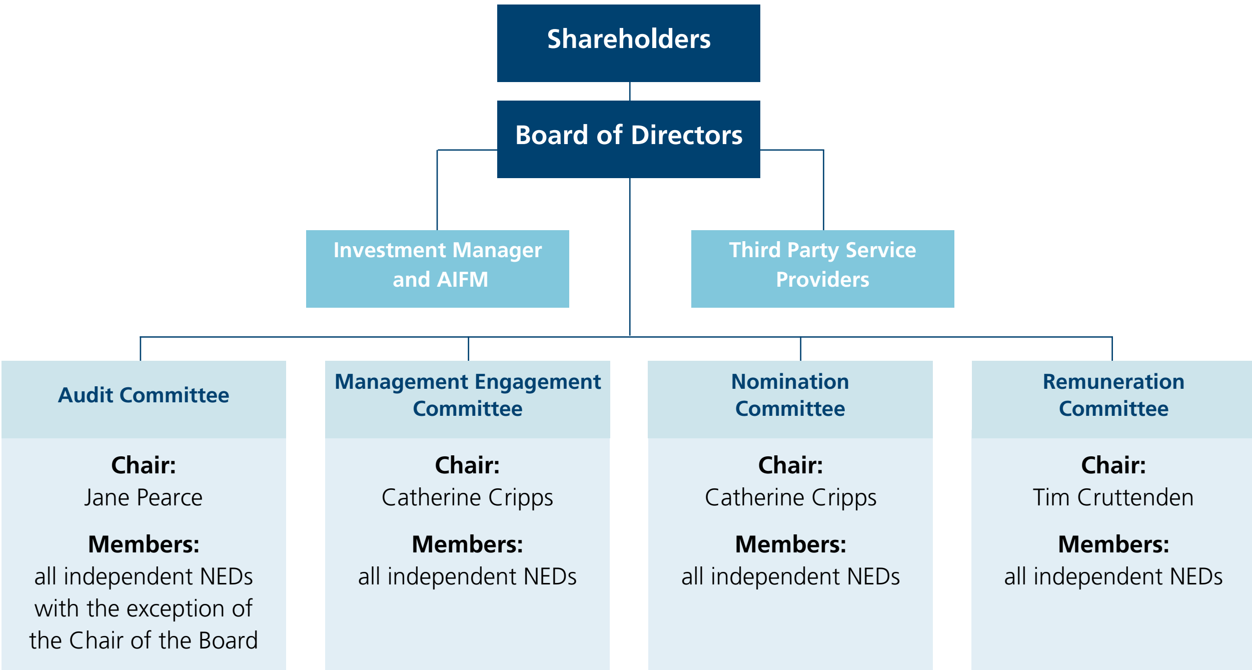
Jumoke Kupoluyi, ACG
Polar Capital Secretarial Services Limited

Company Secretary

16 July 2024

Report on Corporate Governance

The Directors recognise the importance of strong corporate governance and acknowledge that they are ultimately accountable to the Company and its shareholders and are therefore responsible for the good governance of the Company. The Company has no employees and the Directors rely on third parties to administer the Company and to provide investment management services. The following diagram demonstrates the governance framework within which the Company is managed.



As an externally managed investment trust, some provisions of the FRC UK Code of Corporate Governance (the 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, therefore the Board has considered the Principles and Provisions of the Association of Investment Companies Code of Corporate Governance (the AIC Code) and considers that reporting against the Principles and Provisions of the AIC Code provides more relevant information to Shareholders. The AIC Code addresses the relevant principles set out in the Financial Report Council ('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.

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

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.

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.

Report on Corporate Governance continued

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

The Directors, collectively as the Board, are responsible for leading the Company and the strategic direction of such and the Board engages various third-party providers to implement the strategy. 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. The engagement of third-party providers is considered regularly along with the fee rates payable to each. The largest financial commitment of the Company is with the Investment Manager with whom the Board reviews fees regularly; the last change was in 2022.

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 66 to 71. 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 the 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 is facilitated by an external evaluator every three years. The evaluation process is managed by the Nomination Committee and the outcomes from the external evaluation completed in 2024 are detailed in the Report of the Nomination Committee on page 91.

Role, responsibilities and committees of the board

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. 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.

Attendance at each of these meetings is disclosed on page 77. 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 the Board Chair Catherine Cripps who is an invited guest at meetings of the Audit Committee. This encourages unity, clear communication and prevents duplication of discussion between the Board and the Committees.

The number of formal meetings of the Board and its committees held during the year ended 30 April 2024 and the attendance of individual Directors are shown below.

	Board & Strategy	Audit	Management Engagement	Remuneration	Nomination	2023 AGM
Number of Meetings	**5**	**3**	**2**	**1**	**1**	**1**
Catherine Cripps*	5	3	2	1	1	1
Tim Cruttenden	5	3	2	1	1	1
Charlotta Ginman	5	3	2	1	1	1
Charles Park	5	3	2	1	1	1
Jane Pearce	5	3	2	1	1	1
Stephen White	5	3	2	1	1	1

* Invited guest

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 and Alastair Unwin as Deputy Fund Manager. It is the sole responsibility of the Portfolio Managers 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 Company Secretary 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 in a variety of capacities including investment management, compliance, risk and marketing, 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.

The Board and Investment Manager work in a collaborative manner and the Chair encourages open discussion and debate.

Report of The Nomination Committee

Catherine Cripps chairs the Nomination Committee and all independent non-executive Directors are members. The Report of the Nomination Committee can be found on page 91.

Report of The Audit Committee

Jane Pearce succeeded Charlotta Ginman as chair of the Audit Committee with effect from 31 October 2023. All Directors are members of the Committee 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 85.

Report of The Remuneration Committee

Tim Cruttenden as Senior Independent Director, chairs the Remuneration Committee and all independent non-executive Directors are members. The Report of the Remuneration Committee can be found on pages 86 to 90.

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. Catherine Cripps was appointed to the Board in September 2021 and appointed as Chair of the Board in September 2022. The Chair was independent on appointment and continues to meet the criteria for independence.

Report on Corporate Governance continued

The Senior Independent Director ('SID')

The Board does not have any executive directors; therefore Tim Cruttenden as the SID leads on matters relating to Chair succession, evaluation and remuneration of the Chair and non-executive Directors. The SID can be contacted via the Registered Office of the Company.

Board Responsibilities

The Board currently comprises six 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 such 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, Jumoke Kupoluyi, ACG, 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 acknowledges that PIRC (Pensions and Investment Research Consultants Limited, an independent corporate governance and shareholder advisory consultancy) has confirmed its voting guidelines and recommends voting against the laying of the Annual Report at an AGM where the Investment Manager provides company secretarial services to the Company. The Board believe the benefits gained by utilising the services of a Company Secretary provided by the Investment Manager far outweigh any perceived risk or conflicts in the view of PIRC. The Company Secretary is provided to the Company as an independent service and the appointed representative acts as an officer of the Company and not an employee of the Investment Manager when working with the Board and the Company.

The Board has a schedule of regular meetings through the year and meets at additional times as required. During the year, Board and 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, ESG 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.

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. Directors may adopt external appointments in compliance with the Board's conflicts of interests policy which also considers the time commitment of external appointments.

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 may also regularly participate in professional and industry seminars and may use the Manager's online training resources to ensure they maintain their knowledge. The programme of 'deep-dive' internal controls reviews with suppliers serve to both maintain the level of internal review undertaken with suppliers but also to enhance the Directors' understanding of the services and any enhancements or changes made to such.

Conflicts Of Interest

Directors have a duty to avoid a situation in which they have a conflict of interest or a possible or perceived 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. The Conflicts Register is reviewed at every Board meeting and the Directors are reminded of their obligations for disclosure. No Director has declared the receipt of any material 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 89 of the Directors' Remuneration Report.

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

Board Composition, Diversity and Recruitment

In accordance with the Disclosure and Transparency Rules, the Company is required to have a Diversity Policy. The Board is committed to considering diversity at all stages of recruitment to the Board 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 various Governance Reviews, amongst other factors; 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.

During the full year under review there were six non-executive Directors. The Board notes the reporting requirements of the FCA Diversity and Inclusion Policy and has chosen to align its diversity reporting reference date with the Company's financial year end, 30 April 2024. The Company has met two of the three targets on board diversity at its chosen reference date: (i) at least 40% of the individuals on its board of directors are women, three of the six directors are female; and (ii) at least one senior female appointment, two of the three females on the board hold senior positions, the Chair and the Chair of the Audit Committee*. Whilst the current composition of the Board does not satisfy the ethnicity requirements (at least one non-white ethnic minority Board member), the Board continues to keep this under consideration as part of the Board's future succession plans and hopes to meet all aspects of the FCA's Diversity policy in future.

* due to the Company being an investment trust with no employees or executive directors the Board considers senior roles on the Board to comprise the Chair, the Chair of the Audit Committee and the Senior Independent Director.

As required under LR 9.8.6R(10), further detail in respect of the diversity targets as at 30 April 2024 are provided in the tables below.

	Number of board members	Percentage of the board	Number of senior positions on the board (Chair, Audit Chair and SID)
Men	3	50%	1
Women	3	50%	2

	Number of board members	Percentage of the board	Number of senior positions on the board (Chair, Audit Chair and SID)
White British or other (including minority-white groups)	6	100%	2
Minority Ethnic	-	-	-

As an externally managed investment trust, the Company has no executive directors or employees therefore columns relating to executive roles/management have been omitted from the tables. As per the AIC's Guidance, the Company considers the role of Board Chair, Chair of the Audit Committee and Senior Independent Director as senior board positions and the below disclosures are made on this basis.

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 each Director seeking re-election are included in the Board of Directors biographies on pages 8 to 9 and the Chair's letter which accompanies the Notice of Annual General Meeting at which the re-election resolution is being put to shareholders.

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.

Report on Corporate Governance continued

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.

Further information on the Company's succession, evaluation and recruitment process can be found in the report of the Nomination Committee on page 91.

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 the 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. The Investment Manager has an internal audit function and shares any findings from the internal auditors which are relevant to the Company.

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 and GDPR, for example.

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. Where control failures have occurred an exceptions report is provided along with mitigations in place to ensure the control is met in future. For the year under review, no material errors or control failures were identified. The Manager and the key service providers have subsequently provided confirmation that their control environments continued to operate effectively up to the date of signing these Financial Statements.

The Board also considers other reports provided by 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.

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

The Remuneration Committee is chaired by Tim Cruttenden and all independent non-executive Directors are members of the Committee. The Company's remuneration policy, approved by Shareholders at the AGM in September 2023, is detailed within the Report of the Remuneration Committee on page 86 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. Further details are provided in the Report of the Remuneration Committee on pages 86 to 90. The Directors are excluded from discussions in relation to their own remuneration.

Jumoke Kupoluyi ACG
Polar Capital Secretarial Services Limited
Company Secretary

16 July 2024

Audit Committee Report

This report forms part of the Strategic report section

Jane Pearce
Chair of the Audit Committee

Introduction from The Chair

I am pleased to present my formal report to Shareholders as Chair of the Audit Committee for the year ended 30 April 2024. This is my first report to Shareholders as Chair of the Committee. I would like to take this opportunity to thank the previous Chair, Charlotta Ginman, who stepped down from the role on 31 October 2023 for her support and guidance to enable a smooth transition.

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 various members of the Committee who are Chartered Accountants and some of whom also chair Audit Committees for other public companies. More information about the Committee members can be found in the Directors' biographies on pages 8 and 9.

During the year the Audit Committee met three times, with all members of the Committee attending each meeting.

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 are approved by the Board, are available to view on the Company's website, www.polarcapitaltechnologytrust.co.uk

Matters considered by the Audit Committee during The Year

Risk and Controls

The committee assists the Board by undertaking a formal review of risks and controls at least twice a year. During the last year the risk register was reviewed to assess whether the key risks were adequately reflected in the register. The mitigating actions were discussed and amended to reflect any changes implemented by the manager or 3rd party suppliers. In addition a rolling series of "deep dives" into key risks was undertaken. As a result of this work the Audit Committee was able to report to the Board that the risk register was an accurate reflection of the current key risks and mitigating controls facing the Company.

Geopolitical events

We have continued to monitor the geopolitical tension emanating from the increased tension between Taiwan and China. The manager has done extensive work on assessing the sectoral and wider financial implications of any escalation in the region and we have reviewed this at Audit Committee. In our opinion it remains a tail risk but should it materialise there would be a significant adverse effect on the portfolio in combination with a major shock to both global economies and financial markets. In addition to this, the war between Israel and Hamas with the resultant destabilisation of the Middle East and impacts on Red Sea shipping have also been discussed. Whilst the portfolio has no direct exposure to the area we remain vigilant to any potential economic impacts.

The Committee regularly reviews the operational resilience of its various service providers in connection with the mitigation of the business risks posed by geopolitical events. The Committee is pleased to confirm that all service providers have continued to demonstrate their ability to provide services to the expected level, with no breaks in the services provided or significant operational failures.

Audit Committee Report continued

New Regulation and Guidance

During the financial year under review, the Committee has not had to consider any new material regulations, however it continues to follow developments in the relevant regulatory environment to consider any new and ongoing requirements. In addition, the Committee is aware of the recent revisions to the UK Code, specifically those relating to risk management, material and internal controls which are applicable to accounting periods beginning on or after 1 January 2025. The AIC will be updating the 2019 AIC Code to reflect relevant changes made to the UK Code and the Committee will report on any applicable changes made in the Annual Report following the publication of new AIC Code.

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.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30 April 2024, 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 110 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 UK-adopted international accounting standards ("UK-adopted IAS") or amendments to UK-adopted IAS applicable to the current year which had any significant impact on the Company's Financial Statements.

Going Concern

The Audit Committee 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 2024 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 47% cash equivalents readily available to the Company as at 30 April 2024; the diversification of the portfolio; and the analysis of portfolio liquidity, which estimated liquidation of 99.6% of the portfolio within seven trading days.

The Committee is mindful of the economic outlook and geopolitical landscape, including the increased tensions between China and Taiwan and the longer term impact this may have on the global economy and the sector in which the Company operates. These risks continue to be monitored through the Company's risk map and are supplemented with horizon scanning where applicable. The Committee also considered the Company's financial performance during the year under review and concluded that: given the lack of impact on dividend income received and there being no exposure to unquoted assets at the year-end, this 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 62 to 65 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. In conducting the stress tests, the Company's principal risks such as failure to achieve the investment objective, global geopolitical risk, black swan events and IT Failure, fraud and cyber 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 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 2029 were reasonable. See pages 59 and 60 for further details.

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 Arkk Solutions provided the iXBRL and ESEF tagging of the Company's accounts for submission to HM Revenue and Customs.

At the Audit Committee meeting in May 2024, the Committee also considered the allocation of expenses between capital and income and agreed to continue with the Company's stated accounting policy of allocating the indirect costs to revenue and any 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 remained consistent with 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. At each Audit Committee meeting, the Committee reviews 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 considers the likelihood, impact, mitigating factors and controls to reduce the impact of such risks as described on pages 62 to 65. Any material changes to the Risk Map are proposed to the Board for consideration and if appropriate, adoption.

Furthermore, the Audit Committee discusses and assesses emerging risks and where appropriate recommends changes to the Risk Map, as well as thinking of different ways of illustrating the level of risk faced by the business. 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 an onsite due diligence visit with HSBC in September 2023 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.

Audit Committee Report continued

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 of service providers have been reintroduced following the COVID-19 pandemic and the schedule of meetings continued the financial year under review.

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 in place 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.

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 2024.

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. KPMG continues to be the company's auditor. Philip Merchant who was the signing partner last year has rotated off due to a change of responsibilities at KPMG. He has been replaced by Richard Kelly who has been involved with the audit as engagement quality review partner for the last six years.

In accordance with current legislation, the Company is required to tender the external audit no later than for the year ending 30 April 2028, after ten full audit years by the incumbent auditor. However, the Committee keeps the external audit function under review and may choose to undertake an audit tender process earlier than prescribed should it be deemed in the best interests of shareholders so to do. The re-appointment of KPMG as Auditor to the Company will be submitted for shareholder approval at the AGM to be held in September 2024, 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 2024 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 external auditor is invited to all Committee meetings and receives copies of all relevant papers and meeting minutes.

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 Auditors reported to the Audit Committee on the results of the audit work and highlighted any issues which were 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 financial year 2024 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, 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

To fulfil the Committee's responsibility regarding the independence of the Auditor, the Committee reviewed the senior staffing for the audit, the Auditors arrangements concerning any conflicts of interest, the extent of any non-audit services, the Auditors independence statement and any other issues that may affect the Auditors 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 £80,000 (2023: £62,500). The fee represents a further increase on the prior year to reflect the additional work required by the auditors as a result of new auditing standards, specifically IAS 315, inflation and the level of audit work required to perform a robust quality audit.

The year-on-year increase is in line with increases experienced across the investment trust sector in the current and recent years. Audit firms generally have increased the fees that they charge to investment trusts in order to reflect the increased level of work that they have been required to perform, and the increased risk that they perceive, in the context of more rigorous levels of audit scrutiny and regulation.

The Audit Committee is conscious of the increased external audit fees which continue to be proposed across the industry in connection with increasing requirements of auditing standards and expectations. The Audit Committee therefore continues to keep fee levels under close review and considers that any fee increases must be justified.

Non-Audit Services

The Audit Committee's policy on the provision of non-audit services by the Auditors is available on the Company's website. The policy was produced in line with the FRC Ethical Standards 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 findings of the evaluation processes were positive with no matters of concern to report. The Committee continually seeks to improve its effectiveness where possible and follow best practice guidance from the FRC and other relevant legislative and industry bodies.

Jane Pearce
Chair of the Audit Committee

16 July 2024

Directors' Remuneration Report

Tim Cruttenden
Senior Independent Director and Chair of the Remuneration Committee

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 2024. It has been audited where indicated.

Chair's Report

The Remuneration Committee is Chaired by Tim Cruttenden who is also the Senior Independent Director (SID).

The Remuneration Committee ("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.

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. The remuneration review carried out in May 2024 is detailed on page 87.

Remuneration Policy

Shareholders approved the current Directors' Remuneration Policy by way of an ordinary resolution passed at the AGM in September 2023. Such Policy came into effect on 1 May 2024 and shall remain in force until 30 April 2027.

Company's Policy on Directors' Remuneration effective until 30 April 2027

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.	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.

As per previous AGM resolutions shareholders will be asked to consider a non-binding vote for the approval of the Directors' Remuneration Report which reports on how the current policy has operated during the year to 30 April 2024. The results of the Shareholder vote on the Directors' Remuneration Report and on the Remuneration Policy submitted to the 2023 Annual General Meeting were as follows:

	Directors' Remuneration Report for the Year ended 30 April 2023	Remuneration Policy for the three years ending on 30 April 2023
Votes for	99.89% of votes cast	99.89% of votes cast
Votes against	0.11% of votes cast	0.11% of votes cast
Votes withheld	26,526	28,035

2023/24 Fees Paid

In the year under review the Directors' fees were paid at the following annual rates, the Chair £63,600; other Directors £35,000 with the Chair of the Audit Committee receiving an extra £7,000 and the Senior Independent Director receiving an extra £4,200 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 usually favours modest annual increases rather than larger increases awarded at longer intervals.

In May 2024, 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 2023 Fee Review. Consideration was also given to the rise in inflation and the retail price index since the last change in Directors' fees and the increased level of input and responsibility the members of the Board have in relation to enhanced regulations and requirements. As a result, the Committee decided to implement the following increases with effect from 1 May 2024:

Chair

The annual fee for the Chair has been increased from to £63,600 to £65,500 pa. This is an increase of 3.0% year-on-year.

Directors

The annual fee for a non-executive Director has been increased from £35,000 to £36,000 pa, representing a 2.9 % increase. Directors' fees for the year ending 30 April 2024 in respect of the current board members, taking into account the upcoming retirement of Charlotta Ginman in September 2024 total £235,416. The maximum aggregate amount provided for in the Company's Articles of Association (the Articles), Article 99 is £300,000.

In order to provide headroom and flexibility particularly should the Board find it wants to recruit an additional member, an ordinary resolution will be proposed at the Company's AGM to increase the aggregate annual sum available for directors fees from £300,000 to £350,000; should the resolution be passed by Shareholders, Article 99 shall be updated accordingly.

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.

Chair of Audit Committee and Senior Independent Director

The supplement for the Chair of the Audit Committee increased by c.21% to £8,500 (2023: £7,000) to bring this in line with those of peers and to reflect the additional time required in connection with audit regulation, whilst the supplement for the Senior Independent Director remained unchanged at £4,200.

Directors' Remuneration Report continued

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. 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.

The taxable expenses, for example, comprise of expenses incurred by the Directors attending Board and other meetings held in London. Such expenses are paid to the Directors grossed up for taxation and shown in the taxable column of the Directors remuneration table.

Letters of Appointment

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. 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.

A sample equivalent to the Directors' Letter of Appointment is available on the Company's website.

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 by shareholders every year thereafter.

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 them. These provisions were in force during the year and remain in force.

Remuneration Implementation Report

Remuneration Paid In The Year Ended 30 April 2024 (Audited)

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

	Year ended 30 April 2024			Year ended 30 April 2023		
Director	Fixed Fee	Taxable Expenses[1]	Total Remuneration	Fixed Fee	Taxable Expenses[1]	Total Remuneration
Catherine Cripps (Chair)	£63,600	-	£63,600	£47,737	-	£47,737
Charlotta Ginman (retired as Chair of the Audit Committee 31 October 2023)	£38,500	-	£38,500	£40,000	-	£40,000
Tim Cruttenden (Senior Independent Director)	£39,200	-	£39,200	£37,200	-	£37,200
Charles Park	£35,000	-	£35,000	£33,000	-	£33,000
Stephen White	£35,000	-	£35,000	£33,000	-	£33,000
Jane Pearce (appointed as Chair of the Audit Committee 31 October 2023)	£38,500	£2,882	£41,382	£33,000	£3,004	£36,004
Sarah Bates (retired as Chair and from the Board on 8 Sep 2022)	-	-	-	£19,603	-	£19,603
Total	£249,800	£2,882	£252,682	£243,540	£3,004	£246,544

Note 1: Taxable travel and subsistence expenses incurred in attending Board and Committee meetings. The Company's policy is to reimburse directors for both non taxable and taxable expenses and for the latter reimbursed amount to be grossed up at the director's marginal tax rate so that the net reimbursed amount equates to the original expenses sum.

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 in the five financial years prior to the current year in respect of each Director:

	Year to 30 April 2020	Year to 30 April 2021	Year to 30 April 2022	Year to 30 April 2023	Year to 30 April 2024	Year ahead from 1 May 2024
Chair	£44,300	£46,500	£50,000	£55,000	£63,600	£65,500
	+3.0%	+5.0%	+7.5%	+10.0%	+15.6%	+3.0%
Director's fees	£28,400	£30,000	£31,500	£33,000	£35,000	£36,000
	+2.9%	+5.6%	+5.0%	+4.7%	+6.1%	+2.9%
Additional fees						
Chair of Audit Committee	£5,000	£6,000	£7,000	£7,000	£7,000	£8,500
	+38.9%	+20.0%	+16.6%	0.0%	0.0%	+21.4%
Senior Independent Director	£3,700	£4,000	£4,200	£4,200	£4,200	£4,200
	+2.8%	+8.1%	+5.0%	0.0%	0.0%	0.0%

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 2024 and 30 April 2023 are as follows:

Ordinary Shares	30 April 2024	30 April 2023
Catherine Cripps	481	481
Tim Cruttenden	1,269*	1,000
Charlotta Ginman	4,941	4,941
Charles Park	1,840	1,840
Jane Pearce	1,097	930
Stephen White	10,000	10,000

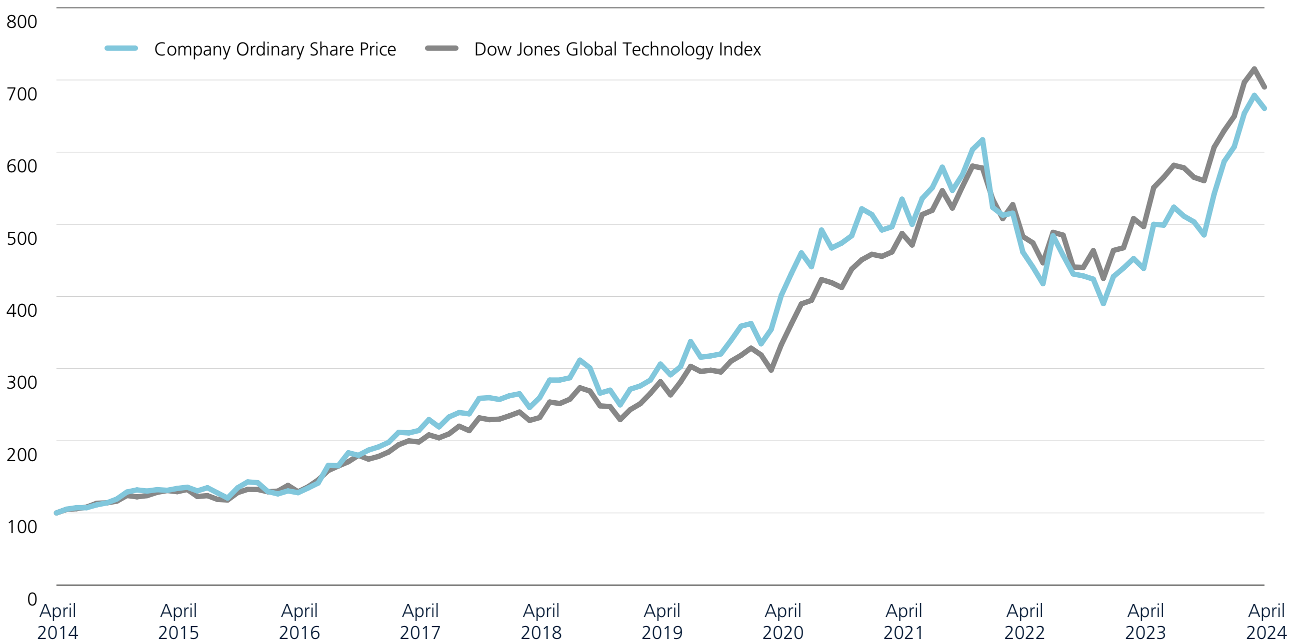
*Holding includes 269 shares held by Persons Closely Associated (PCA's).

There have been no changes in these interests between the end of the financial year and to close of business 11 July 2024.

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 Global Technology Index is shown because, as a market capitalisation weighted index based on the entire global technology sector, it is the most relevant benchmark.

Directors' Remuneration Report continued



Relative Importance Of Spend On Pay

Under the Regulations (Schedule 8, Part 3 (20)), the Directors' Remuneration Report must show a comparison of all remuneration paid to employees to all distributions (including dividends and share buy backs) paid to shareholders for the current year, preceding year and the difference between those years. This is to assist the Directors in understanding the relative importance of spend on pay.

The Company has no employees and while the Directors do not consider that the comparison of Directors' remuneration with distributions to shareholders is a meaningful measure of the Company's overall performance, for comparison purposes the table below compares Directors' fees with the level of dividends paid, profit after tax and the cost of share buy backs undertaken by the Company.

	2024	2023	Change	
	£'000	£'000	£'000	%
Directors' total remuneration*	253	247	6	2%
Dividends paid or declared in respect of the financial year	–	–	–	–
Net profit/(loss) for the year and total comprehensive income/(expense)	1,115,437	(105,182)	1,220,619	1,160%
Ordinary shares repurchased into treasury	139,045	117,662	21,383	18%

* Increase relates to fee increase from 1 May 2023.

Tim Cruttenden
Senior Independent Director and Chair of the Remuneration Committee

16 July 2024

Report of the Nomination Committee

Catherine Cripps
Chair of the Nomination Committee

The Nomination Committee ("the Committee") is chaired by Catherine Cripps and comprises all the independent non-executive Directors. The Committee 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.

The Committee meets at least annually and is responsible to the Board for the size, structure and composition of the Board as well as for succession planning and the tenure policies for the Chair and Directors.

Meetings and Work Undertaken

During the financial year ended 30 April 2024 the Nomination Committee met once and considered the following:

Board Evaluation

The Committee is responsible for coordinating the evaluation of the Board and considering the conclusions from that review. Evaluation of the Board, individual Directors and the committees is undertaken annually. The evaluation undertaken in 2023-2024 was self-administered and incorporated completion of questionnaires, 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. Each year, 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 considered the balance of skills, experience, knowledge and independence on the Board. A skills matrix was used to inform discussion and consideration was also given to diversity and other factors which contribute to the effectiveness of the Board, including how the Directors interact as a unit.

The Committee has determined that each of the Directors 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 last externally facilitated evaluation was carried out in 2022 by Stephenson Executive Search, an independent external Board Evaluator, 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, the next externally administered Board Evaluation will be carried out in 2025 unless it is deemed to be required earlier.

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. 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 believes that continuity and experience add significantly to the strength of the Board. Directors will ordinarily retire from the Board at the AGM following nine-years of service.

As reported in last year's Annual Report, the Nomination Committee carried out a phased recruitment process commencing with the recruitment of a new non-executive director to succeed Charlotta Ginman as Audit Chair in 2024. Jane Pearce was appointed as Non-executive Director on 6 September 2021. During the recruitment process, a long list of suitably qualified candidates was considered followed by interviews of shortlisted candidates with the Board. Charlotta Ginman stepped down as Chair of the Audit Committee on 31 October 2023 and was succeeded by Jane Pearce; Charlotta will remain on the Board until the AGM to be held in September 2024.

Report of the Nomination Committee continued

Subsequent to Charlotta's retirement the Board will comprise five non executive Directors; while the Board considers the composition to be appropriate and covering all skills required we are in the midst of a recruitment process. It is three years since the Board last undertook a market search and we felt we should survey the market and seize the opportunity to hire an additional individual who would add to the Board's existing diversity and skill sets should such an individual be identified. We have appointed a recruitment consultant with a perceived ability to fulfil a search criterion focussed on exploring a broad pool of candidates and in particular, candidates with minority ethnic and/or diverse backgrounds. Further information will be shared when available.

Chair Tenure Policy

As referenced in the succession section above, 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 supports the best practice of Directors remaining on the Board for no-longer than 9-years but acknowledges that in exceptional circumstances the Chair may remain on the Board for up to 12-years.

Committee Evaluation

The activities of the Nomination Committee were considered as part of the annual Board evaluation process. This year, an internal evaluation was completed and the findings of the evaluation processes were positive with no matters of concern to report.

Catherine Cripps
Chair of the Nomination Committee

16 July 2024

Management Engagement Committee Report

Catherine Cripps
Chair of the Management Engagement Committee

The Management Engagement Committee ("the Committee") is chaired by Catherine Cripps and comprises all the independent non-executive Directors. The Committee 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.

The Committee meets at least twice a year and is responsible for reviewing the performance of the Investment Manager along with the Company's other service providers. The Committee is also responsible for keeping under review the terms of the Investment Management Agreement ('IMA') and the Manager's appointment as AIFM.

Performance Evaluation Process

Investment Manager

During the financial year ended 30 April 2024, the Committee met twice to consider the relationship with and, the services provided by the Manager. In addition, the Committee reviewed the terms of the IMA including 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. The Committee reflected on the changes made to the management fee arrangements which took effect on 1 May 2022 and performance fee which took effect on 1 May 2019 and concluded that the current fee structures in place remain appropriate. The Board is however at liberty to review the fees at any time should they deem it appropriate and in the best interests of Shareholders to do so. Further details on the Management fee structure can be found on page 58 of the Strategic Report.

The 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.

Following review, the Committee concluded that 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.

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 both Depositary and Custodian, 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 supplier reports to the Board as and when deemed necessary.

Committee Evaluation

The activities of the Management Engagement Committee were considered as part of the annual Board evaluation process. This year, an internal evaluation was completed and the findings of the evaluation processes were positive with no matters of concern or requirements for change were highlighted.

Catherine Cripps
Chair of the Management Engagement Committee

16 July 2024

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

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 UK-adopted international accounting standards 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 UK-adopted international accounting standards;
- 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 he 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.

Catherine Cripps
Chair

16 July 2024

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 2024 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 2024 and of its profit for the year then ended;

— have been properly prepared in accordance with UK- adopted international accounting standards; 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 shareholders on 7 September 2017. The period of total uninterrupted engagement is for the seven financial years ended 30 April 2024. 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	£38.6m (2023:£29m) 1% (2023: 1%) of Total Assets

Key audit matters		vs 2023
Recurring risks	Carrying amount of level 1 investments	◀▶

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

Key audit matters are those matters that, in our professional judgement, 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 matters (unchanged from 2023), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters 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. These matters were 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 these matters.

	The risk	Our response
Carrying amount of level 1 investments (£3,717m; 2023: £2,641m) Refer to page 81 (Audit Committee Report), pages 107 and 108 (accounting policy) and pages 114 and 115 (financial disclosures).	**Low risk, high value:** The Company's portfolio of level 1 investments makes up 96% (2023: 91%) 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, level 1 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 any of the Company's controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described below. Our procedures included: – **Test of detail:** Agreed the valuation of 100% of level 1 investments in the portfolio to externally quoted prices; and – **Enquiry of custodians:** Agreed 100% of level 1 investment holdings in the portfolio to independently received third party confirmations from investment custodians. **Our findings** – We found no differences (2023: no differences) from the holdings confirmations nor from the externally quoted prices of a size to require reporting to the Audit Committee.

Independent Auditor's Report continued

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

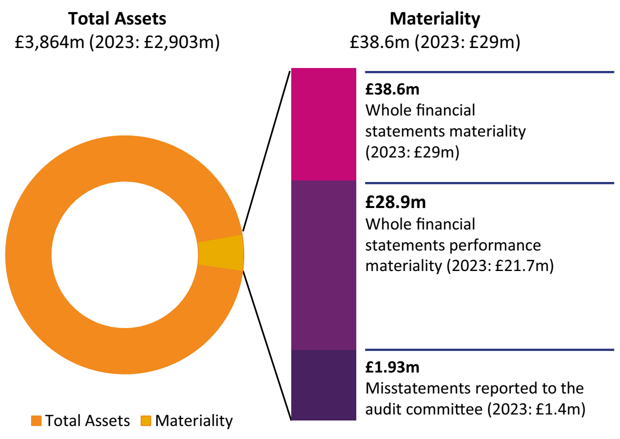
Materiality for the financial statements as a whole was set at £38.6m (2023: £29m), determined with reference to a benchmark of total assets, of which it represents 1% (2023: 1%).

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% (2023 : 75%) of materiality for the financial statements as a whole, which equates to £28.9m (2023 : £21.7m). 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 £1.93m (201X: £1.4m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

The scope of the audit work was fully substantive as we did not rely upon the Company's internal control over financial reporting.



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 metrics relevant to debt covenants 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 or covenant compliance 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 (a reverse stress test).

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;

– 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 60 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

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;

– reading Board and Audit Committee minutes;

– assessing the segregation of duties in place between the Directors, the Administrator and the Company's investment manager.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular 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 a sample of journal entries made at the end of the reporting period. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors, Investment Manager and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any 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.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

Independent Auditor's Report continued

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, Investment Manager 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 Principal Risks and Uncertainties disclosure on page 62 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 page 59 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.

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 the 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 94, 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.

Independent Auditor's Report continued

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

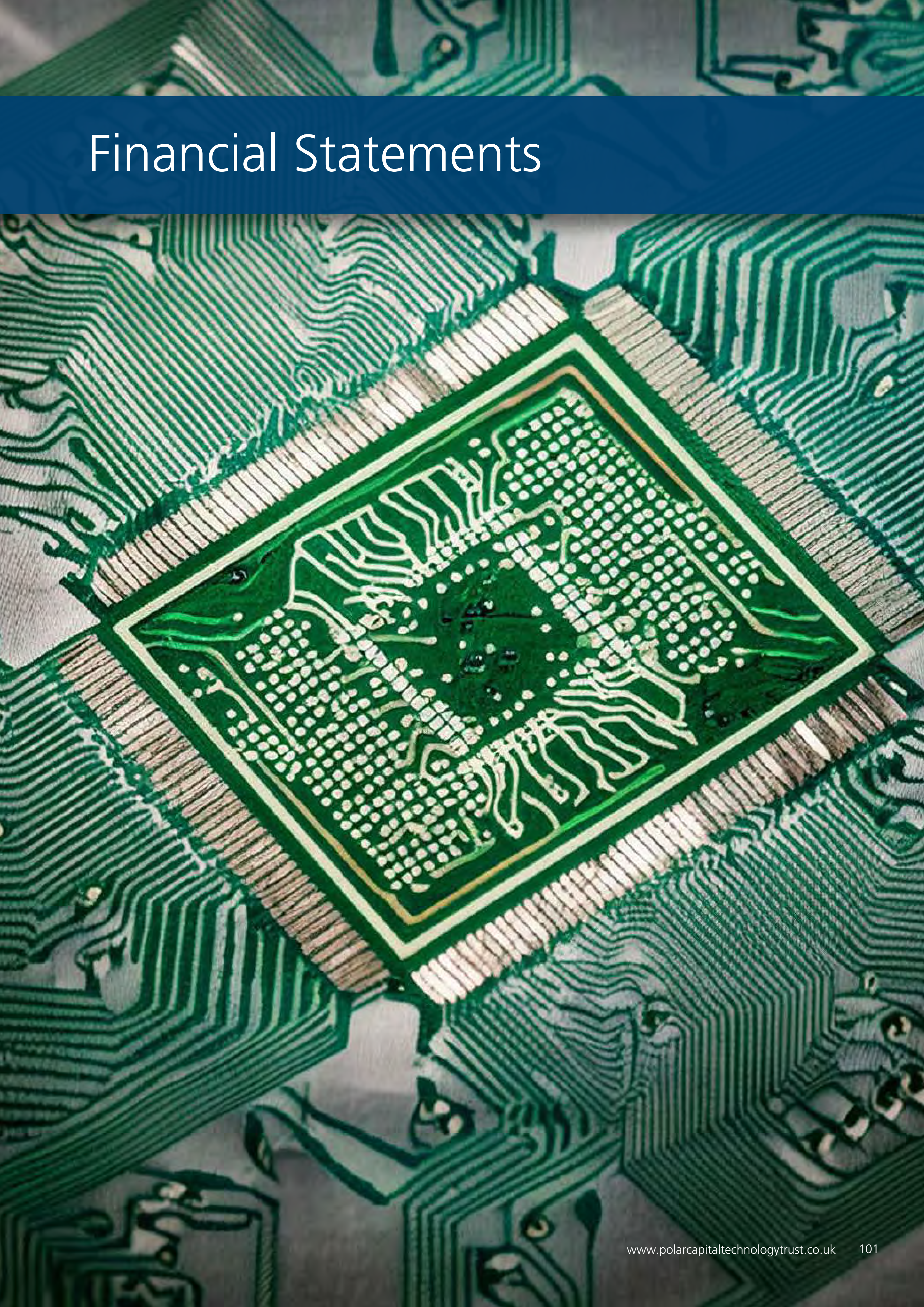
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other 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.

Richard Kelly BSc FCA
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
LONDON
E14 5GL

16 July 2024

Financial Statements



Statement of Comprehensive Income

For the year ended 30 April 2024

		Year ended 30 April 2024			Year ended 30 April 2023		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	3	15,471	-	15,471	16,160	42	16,202
Other operating income	4	6,438	-	6,438	3,820	-	3,820
Gains/(losses) on investments held at fair value	5	-	1,147,978	1,147,978	-	(106,807)	(106,807)
(Losses)/gains on derivatives	6	-	(22,030)	(22,030)	-	34	34
Other currency (losses)/gains	7	-	(1,292)	(1,292)	-	8,409	8,409
Total income		21,909	1,124,656	1,146,565	19,980	(98,322)	(78,342)
Expenses							
Investment management fee	8	(25,919)	-	(25,919)	(21,918)	-	(21,918)
Other administrative expenses	9	(1,393)	-	(1,393)	(1,176)	-	(1,176)
Total expenses		(27,312)	-	(27,312)	(23,094)	-	(23,094)
Gain/(loss) before finance costs and tax		(5,403)	1,124,656	1,119,253	(3,114)	(98,322)	(101,436)
Finance costs	10	(1,874)	-	(1,874)	(1,598)	-	(1,598)
Profit/(loss) before tax		(7,277)	1,124,656	1,117,379	(4,712)	(98,322)	(103,034)
Tax	11	(1,942)	-	(1,942)	(2,148)	-	(2,148)
Net profit/(loss) for the year and total comprehensive income/(expense)		(9,219)	1,124,656	1,115,437	(6,860)	(98,322)	(105,182)
Earnings/(losses) per share (basic and diluted) (pence)	12	(7.47)	911.68	904.21	(5.30)	(75.98)	(81.28)

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the AIC.

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 127 form part of these Financial Statements.

Statement of Changes in Equity

For the year ended 30 April 2024

	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 2022		34,329	12,802	223,374	7,536	2,899,743	(126,799)	3,050,985
Total comprehensive (expense):								
Loss for the year to 30 April 2023		-	-	-	-	(98,322)	(6,860)	(105,182)
Transactions with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury	18, 22	-	-	-	-	(117,662)	-	(117,662)
Total equity at 30 April 2023		34,329	12,802	223,374	7,536	2,683,759	(133,659)	2,828,141
Total comprehensive income/(expense):								
Profit/(loss) for the year to 30 April 2024		-	-	-	-	1,124,656	(9,219)	1,115,437
Transactions with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury	18, 22	-	-	-	-	(139,045)	-	(139,045)
Total equity at 30 April 2024		34,329	12,802	223,374	7,536	3,669,370	(142,878)	3,804,533

The notes on pages 106 to 127 form part of these Financial Statements.

Balance Sheet

As at 30 April 2024

	Notes	30 April 2024 £'000	30 April 2023 £'000
Non current assets			
Investments held at fair value through profit or loss	13	3,713,758	2,640,177
Current assets			
Receivables	14	37,607	20,605
Overseas tax recoverable		346	379
Cash and cash equivalents	15	103,033	239,096
Derivative financial instruments	13	9,557	2,571
		150,543	262,651
Total assets		3,864,301	2,902,828
Current liabilities			
Payables	16	(11,295)	(23,842)
Bank loans	17	(48,036)	-
Bank overdraft	15	(437)	-
		(59,768)	(23,842)
Non current liabilities			
Bank loans	17	-	(50,845)
Net assets		3,804,533	2,828,141
Equity attributable to equity shareholders			
Share capital	18	34,329	34,329
Capital redemption reserve	19	12,802	12,802
Share premium	20	223,374	223,374
Special non-distributable reserve	21	7,536	7,536
Capital reserves	22	3,669,370	2,683,759
Revenue reserve	23	(142,878)	(133,659)
Total equity		3,804,533	2,828,141
Net asset value per ordinary share (pence)	25	3,154.11	2,239.48

The Financial Statements, on pages 102 to 127, were approved and authorised for issue by the Board of Directors on 16 July 2024 and signed on its behalf by:

Catherine Cripps
Chair

The notes on pages 106 to 127 form part of these Financial Statements

Registered number 3224867

Cash Flow Statement

For the year ended 30 April 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit/(loss) before tax		1,117,379	(103,034)
Adjustments			
(Gains)/losses on investments held at fair value through profit or loss	5	(1,147,978)	106,807
Losses/(gains) on derivative financial instruments	6	22,030	(34)
Proceeds of disposal on investments		2,857,451	2,311,861
Purchases of investments		(2,811,714)	(2,266,936)
Proceeds on disposal of derivative financial instruments	13	21,743	46,536
Purchases of derivative financial instruments	13	(50,759)	(42,594)
Increase in receivables		(742)	(472)
Increase/(decrease) in payables		641	(4,580)
Finance costs		1,874	1,598
Overseas tax		(1,909)	(2,241)
Foreign exchange losses/(gains)	7	1,292	(8,409)
Net cash generated from operating activities		9,308	38,502
Cash flows from financing activities			
Finance costs paid		(1,871)	(1,539)
Ordinary shares repurchased into treasury		(139,836)	(116,449)
Net cash used in from financing activities		(141,707)	(117,988)
Net decrease in cash and cash equivalents		(132,399)	(79,486)
Cash and cash equivalents at the beginning of the year		239,096	311,363
Effect of movement in foreign exchange rates on cash held	7	(4,101)	7,219
Cash and cash equivalents at the end of the year	15	102,596	239,096

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

	Notes	2024 £'000	2023 £'000
Cash held at bank, overdraft and derivative clearing houses	15	69,581	148,682
BlackRock's Institutional Cash Series plc (US Treasury Fund), money market fund	15	33,015	90,414
Cash and cash equivalents at the end of the year	15	102,596	239,096

The notes on pages 106 to 127 form part of these Financial Statements

Notes to the Financial Statements

For the year ended 30 April 2024

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 Company's Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS").

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 July 2022 is consistent with the requirements of UK-adopted IAS, 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 2024 is shown in the balance sheet on page 104. As at 30 April 2024 the Company's total assets exceeded its total liabilities by a multiple of over 64. 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 54 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 2024. 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, the Company's cash flows were stressed tested for base case and reasonable worse case scenarios such as reduction in dividend and interest income and increase in administrative expenses. 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.

(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 UK-adopted IAS.

Notes to the Financial Statements continued

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.

FRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 £33,015,000 (2023: £90,414,000) 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 UK-adopted IAS. 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.

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.

Notes to the Financial Statements continued

(R) Key Estimates 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 and the Company's shares are denominated in Sterling.

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 was no unquoted investments (2023: same).

(S) New and revised accounting Standards

There were no new UK-adopted IAS or amendments to UK-adopted IAS 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 & Interpretations		Effective for periods commencing on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Requirement amended to disclose material accounting policies instead of significant accounting policies and provided guidance in making materiality judgements to accounting policy disclosure.	1 January 2023
Definition of Accounting Estimates (amendments to IAS 8)	Introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policy.	1 January 2023
International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.	1 January 2023

ii) At the date of authorisation of the Company's Financial Statements, the following relevant standards that potentially impact the Company are in issue but are not yet effective and have not been applied in the Financial Statements:

Standards & Interpretations		Effective for periods commencing on or after
Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with Covenants - Deferral of Effective Date Amendment (published 15 July 2020) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (publicised 23 January 2020)	The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current and the disclosure requirement in the financial statements for the risk that non-current liabilities with covenant could become repayable within twelve months.	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.	1 January 2024

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 2024 £'000	Year ended 30 April 2023 £'000
Revenue:		
Overseas dividend income	15,471	16,160
	15,471	16,160
Capital:		
Special dividends allocated to capital	-	42

All investment income is derived from listed investments.

There were no special dividends classified as revenue or capital in accordance with note 2 (c) (2023: £350,000 Income and £42,000 Capital).

4 Other operating income

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Bank interest	2,529	1,478
Money market fund interest	3,909	2,342
	6,438	3,820

5 Gains/(losses) on investments held at fair value

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Net gains/(losses) on disposal of investments at historic cost	476,684	(130,861)
Transfer on disposal of investments	(151,853)	(59,647)
Gains/(losses) on disposal of investments based on carrying value at previous balance sheet date	324,831	(190,508)
Valuation gains on investments held during the year	823,147	83,701
	1,147,978	(106,807)

6 (Losses)/gains on derivatives

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
(Losses)/gains on disposal of derivatives held	(21,716)	5,019
Losses on revaluation of derivatives held	(314)	(4,985)
	(22,030)	34

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. Refer to page 114 for further details.

7 Other currency (losses)/gains

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Exchange (losses)/gains on currency balances	(4,101)	7,219
Exchange losses on settlement of loan balances	-	(507)
Exchange gains on translation of loan balances	2,809	1,697
	(1,292)	8,409

Notes to the Financial Statements continued

8 Investment management and performance fee

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Investment management fee paid to Polar Capital (charged wholly to revenue)	25,919	21,918
Performance fee paid to Polar Capital (charged wholly to capital)	-	-

There was no performance fee payable in respect of the year nor outstanding at the year end (2023: same).

The basis for calculating the investment management and performance fees are set out in the Strategic Report on page 58 and details of all amounts payable to the Manager are given in Note 24 on page 119.

9 Other administrative expenses

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Directors' fees and expenses[1]	253	247
National insurance contributions	27	26
Depositary fee[2]	227	192
Registrar fee	57	54
Custody and other bank charges[3]	359	267
UKLA and LSE listing fees[4]	208	204
Legal & professional fees and other financial services	3	16
AIC fees	21	21
Auditors' remuneration - for audit of the financial Statements	80	63
Directors' and officers' liability insurance	56	38
AGM expenses	6	6
Corporate brokers' fee[5]	-	-
Shareholder communications[6]	63	38
Other expenses[7]	33	4
	1,393	1,176

1 Full disclosure is given in the Directors' Remuneration Report on page 86.

2 Depositary fee is based on the value of the net assets. The daily average net asset value rose by 21% compared to the previous year.

3 Custody fees are based on the value of the assets and geographical activity and determined on the pre-approved rate card with HSBC.

4 Fees are based on the market capitalisation of the Company which has risen over the last invoice period.

5 2023/2024 annual fee was offset by the commission credit on shares repurchases.

6 Includes Bespoke promotional marketing cost.

7 Includes Non-executive Directors' search fee.

10 Finance costs

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Interest on loans and overdrafts	1,874	1,514
Loan arrangement and facility fees	-	84
	1,874	1,598

11 Taxation

a) Analysis of tax charge for the year:	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Overseas tax	1,942	2,148
Total tax for the year (see Note 11b)	1,942	2,148

b) Factors affecting tax charge for the year:

The charge for the year can be reconciled to the gains/(losses) per the Statement of Comprehensive Income as follows:

Gain/(loss) before tax	1,117,379	(103,034)
Tax at the UK corporation tax rate of 25% (2023: effective tax rate of 19.5%)	279,345	(20,092)
Tax effect of non-taxable dividends	(3,868)	(3,159)
Tax effect of (gains)/losses on investments that are not taxable	(281,164)	19,181
Unrelieved current year expenses and deficits	5,687	4,070
Overseas tax suffered	1,942	2,148
Total tax for the year (see Note 11a)	1,942	2,148

c) Factors that may affect future tax charges:

There is an unrecognised deferred tax asset comprising:

Unrelieved management expenses	72,685	66,998
Non-trading loan relationship deficits	1,807	1,807
	74,492	68,805

The deferred tax asset is based on a corporation tax rate of 25% (2023: 25%).

The Company has an unrecognised deferred tax asset of £72,685,000 (2023: £66,998,000) arising from surplus management expenses of £290,740,000 (2023: £267,992,000) and unrecognised deferred tax asset of £1,807,000 (2023: £1,807,000) arising from non-trade loan relationship deficits of £7,227,000 (2023: £7,227,000) based on a corporation tax rate of 25% (2023: 25%). Given the composition of the Company's portfolio, it is not likely that these assets will be utilised in the foreseeable future and therefore no deferred tax asset has been recognised in the accounts.

Due to the Company's tax status as an investment trust and the intention to continue meeting the conditions required to maintain 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 Earning/(loss) per ordinary share

	Year ended 30 April 2024			Year ended 30 April 2023		
	Revenue return pence	Capital return pence	Total return pence	Revenue return pence	Capital return pence	Total return pence
The calculation of basic earning/loss per share is based on the following data:						
Net gain/(loss) for the year (£'000)	(9,219)	1,124,656	1,115,437	(6,860)	(98,322)	(105,182)
Weighted average ordinary shares in issue during the year	123,361,430	123,361,430	123,361,430	129,409,889	129,409,889	129,409,889
From continuing operations						
Basic - earning/(loss) per ordinary shares (pence)	(7.47)	911.68	904.21	(5.30)	(75.98)	(81.28)

As at 30 April 2024 there are no potentially dilutive shares in issue and the earnings per share therefore equate to those shown above (2023: there was no dilution).

Notes to the Financial Statements continued

13 Investments held at fair value through profit or loss

i) Investments held at fair value through profit or loss

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Opening book cost	2,058,477	2,253,434
Opening investment holding gains	581,700	557,646
Opening fair value	2,640,177	2,811,080
Analysis of transactions made during the year		
Purchases at cost	2,799,314	2,236,802
Sales proceeds received	(2,873,711)	(2,300,898)
Gains/(losses) on investments held at fair value	1,147,978	(106,807)
Closing fair value	3,713,758	2,640,177
Closing book cost	2,460,764	2,058,477
Closing investment holding gains	1,252,994	581,700
Closing fair value	3,713,758	2,640,177
Of which:		
Listed on a recognised Stock Exchange	3,713,758	2,640,177

The Company received £2,873,711,000 (2023: £2,300,898,000) from disposal of investments in the year. The book cost of these investments when they were purchased were £2,397,027,000 (2023: £2,431,759,000). 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 £1,550,000 (2023: £1,055,000). Included in proceeds of disposals are sales costs of £1,726,000 (2023: £1,231,000). These costs primarily comprise commission.

ii) Changes in derivative financial instruments

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Valuation at 1 May	2,571	6,479
Additions at cost	50,759	42,594
Proceeds of disposal	(21,743)	(46,536)
(Losses)/gains on disposal	(21,716)	5,019
Valuation losses	(314)	(4,985)
Valuation at 30 April	9,557	2,571

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. As at 30 April 2024, the Company held NASDAQ 100 Stock Index put option and the market value of these open put option position was £7,192,000 (2023: NASDAQ 100 Stock Index put option with a market value of £1,559,000). The Company also held Microsoft Corp call options and Apple Inc call option, the market value of these open call option position were £403,000 and £1,962,000 respectively (2023: Microsoft Corp call options with a market value of £1,012,000).

iii) Classification under Fair Value Hierarchy:

The table below sets out the fair value measurements using the IFRS 13 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 pages 107 and 108.

	Year ended 30 April 2024 £'000	Year ended 30 April 2023 £'000
Equity Investments and derivative financial instruments		
Level 1	3,717,533	2,641,189
Level 2	5,782	1,559
Level 3	-	-
	3,723,315	2,642,748

As at the year ended 30 April 2024, £5,782,000 (30 April 2023: NASDAQ 100 Stock Index put options with a market value of £1,559,000) of NASDAQ 100 Stock Index put options held by the Company have been classified as level 2 due to the absence of regular trading activity levels closer to the measurement date. All other options held at the current and prior year end have been classified as level 1.

There has been no transfer between Levels 1, 2 and 3 during the year ended 30 April 2024.

iv) Unquoted investments

As at 30 April 2024, the portfolio comprised no unquoted investment (30 April 2023: same).

14 Receivables

	30 April 2024 £'000	30 April 2023 £'000
Sales for future settlement	34,612	18,352
Prepayments and accrued income	2,942	2,215
VAT recoverable	53	38
	37,607	20,605

The carrying values of other receivables approximate their fair value.

15 Cash and cash equivalents

	30 April 2024 £'000	30 April 2023 £'000
Cash at bank	69,964	148,682
Cash held at derivative clearing houses	54	-
Money market funds	33,015	90,414
Cash and cash equivalents	103,033	239,096
Bank overdraft	(437)	-
	102,596	239,096

As at 30 April 2024, the Company held BlackRock's Institutional Cash Series plc – US Treasury Fund with a market value of £33,015,000 (30 April 2023: £90,414,000), which is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

16 Payables

	30 April 2024 £'000	30 April 2023 £'000
Purchases for future settlement	6,885	19,285
Repurchase of ordinary shares awaiting settlement	1,553	2,344
Accruals	2,857	2,213
	11,295	23,842

The carrying values of other payables approximate their fair value.

Notes to the Financial Statements continued

17 Bank loans

i) Bank loans

	30 April 2024 £'000	30 April 2023 £'000
The Company has the following unsecured Japanese Yen and US Dollar loans:		
JPN¥3,800m at a rate of 1.13% repayable 30 September 2024	19,285	22,203
US$36m at a rate of 5.43% repayable 30 September 2024	28,751	28,642
	48,036	50,845

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. The carrying value of the loans approximates at their fair value. These loans are repayable on 30 September 2024.

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 2024 £'000	30 April 2023 £'000
Bank loans held as at 30 April 2023	50,845	52,035
Term loan of JPN¥3,800m and US$36m under September 2020 facility expired in September 2022	-	(56,441)
Term loan of JPN¥3,800m and US$36m under September 2022 facility due to expire in September 2024	-	56,441
Exchange losses on settlement of loan balances	-	507
Effect of changes in foreign exchange rates on bank loans held	(2,809)	(1,697)
Bank loans held as at 30 April 2024	48,036	50,845

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 2024 £'000	30 April 2023 £'000
Allotted, Called up and Fully paid:		
Ordinary shares of 25p each		
Opening balance of 126,285,544 (2023: 132,356,426)	31,571	33,089
Repurchase of 5,663,975 (2023: 6,070,882) ordinary shares into treasury	(1,416)	(1,518)
Allotted, called up and fully paid: 120,621,569 (2023: 126,285,544) ordinary shares of 25p	30,155	31,571
16,693,431 (2023: 11,029,456) ordinary shares held in treasury	4,174	2,758
As at 30 April 2024	34,329	34,329

During the year, there were no ordinary shares issued to the market (2023: same). A total of 5,663,975 (2023: 6,070,882) ordinary shares were repurchased into treasury at a cost of £138,355,000 (2023: £117,078,000).

Subsequent to the year end, and to close of business 11 July 2024 (latest practicable date), 964,346 ordinary shares were repurchased into treasury at an average price of 3,149.86p per share.

19 Capital redemption reserve

	30 April 2024 £'000	30 April 2023 £'000
As at 1 May 2023	12,802	12,802
As at 30 April 2024	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 2024 £'000	30 April 2023 £'000
As at 1 May 2023	223,374	223,374
As at 30 April 2024	223,374	223,374

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

This reserve is not distributable.

21 Special non-distributable reserve

	30 April 2024 £'000	30 April 2023 £'000
As at 1 May 2023	7,536	7,536
As at 30 April 2024	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.

Notes to the Financial Statements continued

22 Capital reserves

	Capital* reserve - gains/losses on disposal 30 April 2024 £'000	Capital** reserve - revaluation 30 April 2024 £'000	Total capital reserves 30 April 2024 £'000	Capital reserve - gains/losses on disposal 30 April 2023 £'000	Capital reserve - revaluation 30 April 2023 £'000	Total capital reserves 30 April 2023 £'000
As at 1 May 2023	2,102,965	580,794	2,683,759	2,339,715	560,028	2,899,743
Net gains/(losses) on disposal of investments	324,831	-	324,831	(190,508)	-	(190,508)
Transfer on disposal of investments	151,853	(151,853)	-	59,647	(59,647)	-
Valuation gains on investments held during the year	-	823,147	823,147	-	83,701	83,701
Net (losses)/gains on derivative contracts	(21,716)	(314)	(22,030)	5,019	(4,985)	34
Special dividends allocated to capital	-	-	-	42	-	42
Exchange (losses)/gains on currency balances	(4,101)	-	(4,101)	7,219	-	7,219
Exchange losses on settlement of loan balances	-	-	-	(507)	-	(507)
Exchange gains on translation of loan balances	-	2,809	2,809	-	1,697	1,697
Ordinary shares repurchased into treasury	(138,355)	-	(138,355)	(117,078)	-	(117,078)
Stamp duty on ordinary shares repurchased into treasury	(690)	-	(690)	(584)	-	(584)
As at 30 April 2024	2,414,787	1,254,583	3,669,370	2,102,965	580,794	2,683,759

* 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 may become 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 2024 £'000	30 April 2023 £'000
As at 1 May 2023	(133,659)	(126,799)
Loss for the year to 30 April	(9,219)	(6,860)
As at 30 April 2024	(142,878)	(133,659)

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 2024 were £25,919,000 (2023: £21,918,000) of which £2,386,000 (2023: £1,827,000) was outstanding at the year end.

There was no performance fee payable in respect of the year nor outstanding at the year end (2023: same).

In addition, the research costs and the first £200,000 of marketing costs per annum are borne by the Manager.

(b) Related party transactions

The compensation payable to key management personnel in respect of short term employee benefits is £253,000 (2023: £247,000) which comprises £253,000 (2023: £247,000) paid by the Company to the Directors.

Refer to pages 86 to 90 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 2024	30 April 2023
Undiluted:		
Net assets attributable to ordinary Shareholders (£'000)	3,804,533	2,828,141
Ordinary shares in issue at end of year	120,621,569	126,285,544
Net asset value per ordinary share (pence)	3,154.11	2,239.48

As at 30 April 2024, there were no potentially dilutive shares in issue (2023: 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 2024 by geographical segment and the related investment income earned during the year to 30 April 2024 is noted below:

	30 April 2024 Value of investments £'000	Year ended 30 April 2024 Gross income £'000	30 April 2023 Value of investments £'000	Year ended 30 April 2023 Gross income £'000
North America (inc. Latin America)	2,788,506	6,825	2,079,055	7,658
Europe	241,811	897	112,437	1,516
Asia Pacific (inc. Middle East)	683,441	7,749	448,685	6,986
Total	3,713,758	15,471	2,640,177	16,160

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 54. 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 36 to 43. 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 £9,557,000 (2023: £2,571,000).

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 2024 £'000	30 April 2023 £'000
Non-current asset investments at fair value through profit or loss	3,713,758	2,640,177
Derivative financial instruments at fair value through profit or loss	9,557	2,571
	3,723,315	2,642,748

An analysis of the Company's portfolio is shown on pages 36 to 43.

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 20% (2023: 20%) 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 2024		30 April 2023	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Revenue return	(4,468)	4,468	(3,700)	3,700
Capital return	744,663	(744,663)	528,550	(528,550)
Change to the profit after tax for the year	740,195	(740,195)	524,850	(524,850)
Change to Shareholders' funds	740,195	(740,195)	524,850	(524,850)
Change to NAV per share (pence)	613.65	(613.65)	415.61	(415.61)

(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 2024 £'000	30 April 2023 £'000
Monetary Assets:		
Cash and short term receivables		
US Dollars	101,102	199,560
Japanese Yen	25,743	25,424
Taiwan Dollars	1,086	317
Euros	700	20,710
Korean Won	162	394
Canadian Dollars	141	627
Swiss Franc	23	24
Polish Zloty	2	5
Hong Kong Dollars	-	4,565
Swedish Krona	-	1,727
Monetary Liabilities:		
Payables		
US Dollars	(7,024)	(19,419)
Euros	(436)	-
Japanese Yen	(19)	(22)
Hong Kong Dollars	(6)	-
Swedish Krona	-	(1,645)
Canadian Dollars	-	(626)
Bank Loans:		
US Dollars	(28,751)	(28,642)
Japanese Yen	(19,285)	(22,203)
Foreign currency exposure on net monetary items	73,438	180,796
Non-Monetary Items:		
Investments at fair value through profit or loss that are equities		
US Dollars	2,965,498	2,166,854
Taiwan Dollars	283,415	87,974
Japanese Yen	196,707	122,202
Euros	177,685	105,695
Korean Won	40,845	83,895
Hong Kong Dollars	33,562	51,641
Canadian Dollars	7,651	11,909
Investments at fair value through profit or loss that are derivatives		
US Dollars	9,557	2,571
Total net foreign currency exposure	3,788,358	2,813,537

Foreign currency exchange rate movement

During the financial year Sterling depreciated by 0.4% (2023: appreciated by 0.1%) against the US Dollar, appreciated by 15.1% (2023: appreciated by 5.2%) against the Japanese Yen, appreciated by 2.9% (2023: depreciated by 4.3%) against the Euro, depreciated by 0.7% (2023: appreciated by 0.2%) against the Hong Kong Dollar, appreciated by 2.9% (2023: appreciated by 6.7%) against the Korean Won and appreciated by 5.5% (2023: appreciated by 4.4%) 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 15% (2023: 10%), against the currencies shown, this would have the following effect:

	30 April 2024 £'000					
	US Dollar	Euro	Japanese Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income - profit/ loss after tax						
Revenue return	980	335	461	56	143	1,059
Capital return	536,482	31,279	35,683	5,923	7,208	50,055
Change to the profit/loss after tax for the year	537,462	31,614	36,144	5,979	7,351	51,114
Change to Shareholders' funds	537,462	31,614	36,144	5,979	7,351	51,114

	30 April 2023 £'000					
	US Dollar	Euro	Japanese Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income - profit/ loss after tax						
Revenue return	560	142	282	28	220	166
Capital return	257,839	13,992	13,820	6,245	9,322	9,810
Change to the profit/loss after tax for the year	258,399	14,134	14,102	6,273	9,542	9,976
Change to Shareholders' funds	258,399	14,134	14,102	6,273	9,542	9,976

Based on the year end position, if Sterling had appreciated, by a further 15% (2023: 10%), against the currencies shown, this would have the following effect:

	30 April 2024 £'000					
	US Dollar	Euro	Japanese Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income - profit/ loss after tax						
Revenue return	(679)	(247)	(341)	(41)	(106)	(783)
Capital return	(396,530)	(23,119)	(26,375)	(4,378)	(5,328)	(36,997)
Change to the profit/loss after tax for the year	(397,209)	(23,366)	(26,716)	(4,419)	(5,434)	(37,780)
Change to Shareholders' funds	(397,209)	(23,366)	(26,716)	(4,419)	(5,434)	(37,780)

Notes to the Financial Statements continued

	30 April 2023 £'000					
	US Dollar	Euro	Japanese Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income - profit/loss after tax						
Revenue return	(411)	(116)	(231)	(23)	(180)	(136)
Capital return	(210,959)	(11,448)	(11,308)	(5,110)	(7,627)	(8,026)
Change to the profit/loss after tax for the year	(211,370)	(11,564)	(11,539)	(5,133)	(7,807)	(8,162)
Change to Shareholders' funds	(211,370)	(11,564)	(11,539)	(5,133)	(7,807)	(8,162)

In the opinion of the Directors, neither of the above sensitivity analysis 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 loans carry a fixed rate of interest and therefore do 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 2024 (£'000)			30 April 2023 (£'000)		
	Within one year	More than one year	Total	Within one year	More than one year	Total
Exposure to floating interest rates:						
Cash held at bank and derivative clearing houses	70,018	-	70,018	148,682	-	148,682
Bank overdraft	(437)	-	(437)	-	-	-
Money market funds	33,015	-	33,015	90,414	-	90,414
Exposure to fixed interest rates:						
Bank loan	(48,036)	-	(48,036)	-	(50,845)	(50,845)
Total exposure to interest rates	54,560	-	54,560	239,096	(50,845)	188,251

As at year ended 30 April 2024, the Company held two, two-year fixed rate term loan with ING Bank N.V. The Japanese Yen 3.8 billion (2023: Japanese Yen 3.8 billion) carries an interest rate of 1.13% (2023: 1.13%) per annum and US Dollar 36 million (2023: US Dollar 36 million) carries an interest rate of 5.43% (2023: 5.43%) per annum, both of which fall due for repayment on 30 September 2024.

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 1.5% (2023: 1.5%) per annum in the rates of interest available to the Company's a change of 1.5% (2023: 1.5%) 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 2024 £'000	30 April 2023 £'000
Statement of Comprehensive Income - profit/loss after tax		
Revenue return	818	2,824
Capital return	-	-
Change to the profit/loss after tax for the year	818	2,824
Change to Shareholders' funds	818	2,824

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.

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 2024 £'000	30 April 2023 £'000
Due within 1 month:		
Balances due to brokers	6,885	19,285
Repurchase of ordinary shares awaiting settlement	1,553	2,344
Accruals	2,699	2,058
Bank overdraft	437	-
Due after 3 months and within 1 year:		
Bank loan and interest (2023: Bank loan interest)	48,950	1,992
Due after 1 year and within 2 years:		
Bank loan and interest	-	51,613

Notes to the Financial Statements continued

(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 2024 was £140,483,000 (2023: £259,526,000) comprising:

	30 April 2024 £'000	30 April 2023 £'000
Balances due from brokers	34,612	18,352
Accrued income	2,838	2,078
Cash at bank	69,964	148,682
Cash held at derivative clearing houses	54	-
Money market funds	33,015	90,414
	140,483	259,526

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 2024 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 54.

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 close of business on 11 July 2024, 964,346 ordinary shares were repurchased and placed in the Treasury at an average price of 3,149.86p 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.

Shareholder Information

Alternative Performance Measures (APMs)

In assessing the performance of the Company, the Investment Manager and the Directors use the following APMs which are not defined in accounting standards or law but are considered to be known industry metrics:

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 2024 and 30 April 2023.

		Year ended 30 April 2024	Year ended 30 April 2023
Opening NAV per share	a	2,239.48p	2,305.13p
Closing NAV per share	b	3,154.11p	2,239.48p
NAV total return for the year	(b / a)-1	40.8%	(2.8%)

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 2024 and 30 April 2023.

		Year ended 30 April 2024	Year ended 30 April 2023
Opening share price	a	1,940.00p	2,040.00p
Closing share price	b	2,920.00p	1,940.00p
Share price total return for the year	(b / a)-1	50.5%	(4.9%)

(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. A premium or discount is generally the consequence of supply and demand for the shares on the stock market.

		30 April 2024	30 April 2023
Closing share price	a	2,920.00p	1,940.00p
Closing NAV per share	b	3,154.11p	2,239.48p
Discount of ordinary share price to the NAV per ordinary share	(a / b)-1	(7.4%)	(13.4%)

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 2024	Year ended 30 April 2023
Investment Management Fee (Note 8 on page 112)		£25,919,000	£21,918,000
Other Administrative Expenses (Note 9 on page 112)		£1,393,000	£1,176,000
	a	£27,312,000	£23,094,000
Average daily net assets value	b	£3,432,125,000	£2,843,190,000
Ongoing Charges excluding performance fee	a / b	0.80%	0.81%
Performance fee (Note 8 on page 112)	c	-	-
	d = a+c	£27,312,000	£23,094,000
Ongoing charges including performance fee	d / b	0.80%	0.81%

Glossary of Terms

Administrator	The administrator contracted through Polar Capital LLP is partly responsible for matters like fund or investment trust accounting, the calculation of net asset values (NAVs) and other administrative services under the terms of the Investment Management Agreement ("IMA").
AGM	Annual General Meeting – a meeting required to be held in accordance with the Companies Act 2006, within six months of the Company's financial year end. The AGM of the Company will be held on Wednesday, 11 September 2024. Details of the arrangements will be provided in the separate Notice of AGM and on the Company's website.
AIC	Association of Investment Companies, the industry body for closed ended investment companies.
AIF	Alternative Investment Fund – the Company is an investment trust which is a collective investment undertaking which raises capital from a number of investors (in the case of the Company, by selling shares in the open market on the London Stock Exchange) with a view to investing the capital in accordance with the investment policy (see page 54).
AIFM	Alternative Investment Fund Manager, a body appointed in accordance with the AIFMD (see below). Polar Capital LLP is the appointed AIFM to the Company.
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').
Benchmark	The Dow Jones Global Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes). The naming convention of the benchmark has been updated to align with the S&P 500. The benchmark of the Company remains unchanged. The performance of the Company is measured against the performance of the benchmark.
Closed-ended Investment Company	An Investment Company whose shares are traded in the open market, e.g., on the London Stock Exchange.
Custodian	HSBC Bank plc is the Custodian of the Company's assets. The Custodian is 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 Company's Depositary is also HSBC Bank plc. Under AIFMD (see above) 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	Derivative is 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. The use of derivatives is to protect the capital value of the portfolio or for efficient portfolio management. A derivative can be an asset or a liability and is a form of gearing because it can increase the economic exposure to shareholders.
(Discount)/premium	See Alternative Performance Measure (APM) on page 130.
Earnings per Share ("EPS")	A company's profitability expressed on a per share basis and calculated by dividing the company's annual earnings after tax by the weighted average number of shares in issue.

Fund/Portfolio Manager	Ben Rogoff (Lead Manager) and Ali Unwin (Deputy Fund Manager) of Polar Capital LLP have 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.
FCA	The Financial Conduct Authority (FCA) regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers.
IFRS	International Financial Reporting Standards (IFRS) are accounting standards which are developed by the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The IASB sets IFRS Accounting Standards and the ISSB sets IFRS Sustainability Disclosure Standards.
Inflation	A measure of the change in the average price level of a basket of goods and services in a particular economy.
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 Richard Kelly, 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).
Liquidity	The ease with which a security can be traded on the market, usually defined by turnover of the shares divided by the number of shares in issue.
Manager/Investment Manager	Polar Capital LLP (Polar Capital), also appointed as AIFM (see above). The responsibilities and fees payable to Polar Capital are set out in the Strategic Report.
Market capitalisation	Also sometimes referred to as 'market cap', this is a measure which describes the size of a Company or an Investment Trust. It is calculated by multiplying the number of shares by the price of the shares.
Net Asset Value (NAV)	The NAV is the value attributed to the shareholders 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.
Non-executive Director	The Company is managed by a Board of Directors who are appointed by letter rather than a contract of employment. 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.

Glossary of Terms continued

Price/earnings ratio (P/E ratio)	A way to estimate the future earnings potential of a particular company or investment trust. It is calculated by taking the current price and dividing it by earnings per share. The P/E ratio also gives an indication of how quickly the company is expected to grow – a high PE indicates that a company is expected to see EPS grow quickly in the future.
SORP	The Statement of Recommended Practice (SORP) for investment trust is issued by the AIC and it provides recommendations on financial reporting that supplement official accounting standards. The financial statements of the Company are prepared in accordance with the Investment Trust SORP.
Treasury shares	Treasury shares are the Company's own shares that have been brought back from shareholders and not cancelled but held in Treasury. Such shares may be reissued into the market at a premium to NAV. Treasury shares do not attract the right to receive dividends or have any other voting rights.
UK-adopted IAS	The international accounting standards adopted by the UK Endorsement Board after delegation of adoption powers. These include International Accounting Standards (IAS), IFRS and related interpretations, subsequent amendments to those standards and related interpretations, issued or adopted by the IASB.
Volatility	Volatility describes the price movement of an investment. High volatility indicates frequent and significant price movement, whereas low volatility investments have less frequent or severe fluctuations in price.
Yield	The yield is the return on an investment, usually expressed as a percentage of the purchase price.

Corporate Information – AGM

2024 Annual General Meeting ("AGM")

The Company's AGM will be held at 2:30pm on Wednesday, 11 September 2024 at The Royal Institution of Great Britain, 21 Albemarle Street, London, W1S 4BS.

Further information, including the full text of the resolutions to be proposed at the AGM and an explanation of each resolution, is contained in the Notice of AGM which has been posted to Shareholders and is available on the Company's website.

Shareholders will have the option to ask questions at the meeting but are also 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.

For ease of reference and understanding a brief explanation of the resolutions and the structure of the AGM is given below.

Resolution 1 relates to the statutory requirement of every company to lay before shareholders the Annual Report and Financial Statements, i.e. this document in full. The Annual Report has been prepared and approved by the Board of Directors and audited by the externally appointed auditors. The document will be filed at Companies House once issued to shareholders. The Annual Report sets out the Company's business strategy, governance structure and procedures as well as the financial accounts for the financial year under review and any forward-looking statements.

Resolution 2 in compliance 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, the Company is required on a three-yearly basis to provide shareholders with the opportunity to vote on the Company's Remuneration Policy. Shareholders last voted on the Remuneration Policy at the AGM in 2023 and in the absence of material changes, shareholders will next have a chance to vote on the Remuneration Policy at the AGM to be held in 2026.

In addition to this, on an annual basis, shareholders are presented, with the Directors' Remuneration Report which looks back at the year under review and advises how the Remuneration Policy was applied. Resolution 2 therefore, is the annual advisory vote of shareholders on the Remuneration Report. The Directors' Remuneration Report is presented on pages 86 to 90.

Resolutions 3 to 7 relate to the annual re-election of directors. In line with good corporate governance the tenure policy of directors is 9-years, with the exception of the Board's Chair tenure policy which allows the Chair to remain in the role for up to 12-years in certain circumstances. It is recommended that directors stand for re-election on an annual basis in order to give shareholders the opportunity to vote on each director. Having undergone a Board Evaluation process, as described on page 91, the Directors have provided a rationale for their support for the reappointment of each director on pages 8 and 9 and within the Notice of AGM.

Resolutions 8 and 9 relate to the statutory appointment or reappointment of the Company's external auditors and the Directors' authority to determine their remuneration. Further information is provided in the Audit Committee Report on pages 84 and 85.

Resolution 10 which will be proposed as an ordinary resolution, proposes a 10 for 1 share split whereby each existing Ordinary Share of 25 pence will be sub-divided into ten new Ordinary shares of 2.5 pence each, thereby resulting in a lower market price per Ordinary share. As noted in the Chair's statement, the Company's share price has grown over the last few years and whilst this is welcomed news, the higher share price may be unhelpful for those investors buying smaller quantities of shares as well as for regular savers. The reduced market price of each Ordinary share immediately following the share split is intended to help make each Ordinary share more affordable to investors, thus encouraging greater participation and providing greater flexibility in terms of the size of the trades for investors with different investment profiles. Further details relating to the proposed share split are set out on page 73 of the Directors' Report and in the Notice of AGM.

Illustrative example:

Pre-share split:
Indicative price of £1.00 per share, Shareholding of 100 shares, Value = £1.00 x 100 shares: total valuation £100

Post – 10 for 1 share split:
Original indicative price of £1.00 becomes / 10, 10p per share

Original holding of 100 shares becomes x10, 1,000 shares

New indicative price of £0.10 per share, Shareholding of 1,000 shares, Value = £0.10 x 1000 shares: total valuation £100

For any queries relating to the proposed share split, please contact Equiniti on +44 (0) 333 207 5963 or email cosec@polarcapital.co.uk

Corporate Information – AGM continued

Resolution 11 will, if passed, renew the Directors' authority to allot new Ordinary shares up to an aggregate nominal amount of £3,432,875, being 10 per cent. of the issued Ordinary share capital of the Company (excluding treasury shares) as at close of business on 11 July 2024.

Resolution 12, which will be proposed as a special resolution, will, if passed, renew the Directors' existing authority to allot new Ordinary shares or sell treasury shares for cash without the new Ordinary shares first being offered to existing shareholders in proportion to their existing holdings. This will give the Directors authority to allot Ordinary shares or sell shares from treasury on a non pre-emptive basis for cash up to an aggregate nominal amount of £3,432,875 (representing 10 per cent. of the issued Ordinary share capital of the Company (excluding treasury shares) as at close of business on 11 July 2024). New Ordinary shares issued under this authority will only be issued at prices representing a premium to the last published net asset value per share.

The authorities being sought under Resolutions 11 and 12 will expire at the conclusion of the Company's next AGM in 2025 or, if earlier, on the expiry of 15 months from the date of the passing of the resolutions, unless such authorities are renewed, varied or extended prior to such time. The Board will only utilise these authorities if it believes that to do so would be in the best interests of shareholders as a whole.

Resolution 13, which will be proposed as a special resolution, seeks to renew the Board's authority to make market purchases of the Company's Ordinary shares in accordance with the provisions of the Companies Act 2006 and the FCA's Listing Rules. Accordingly, the Company will seek authority to purchase up to a maximum of 14.99 per cent. of the issued Ordinary share capital (excluding treasury shares) as at the date of passing of the resolution. The Board does not intend to use this authority to purchase the Company's Ordinary shares unless to do so would result in an increase in the net asset value per Ordinary share and would be in the best interests of shareholders as a whole. Any Ordinary shares purchased will be either cancelled or held in treasury. The authority being sought will expire at the conclusion of the AGM in 2025 or, if earlier, on the expiry of 15 months from the date of the passing of the resolution unless such authority is renewed, varied or extended prior to such time.

Resolution 14, which will be proposed as a special resolution, relates to amending the Company's Articles of Association to allow the Company to hold virtual only General Meetings. Shareholders should note that the Company intends to continue to hold physical AGM's and a fully virtual AGM will only be held in exceptional circumstances such as another pandemic when it is neither practical or in the best interests of shareholders to hold a physical meeting. In such instances and subject to Resolution 14 being passed at the AGM, Shareholders will have the opportunity to attend the AGM virtually and vote on resolutions put to the meeting electronically. The Board is also proposing to amend the existing Articles to increase the cap on the aggregate of all fees paid to directors from £300,000 per annum to £350,000 per annum. The proposed increase is consistent with market practice. This is to provide headroom and flexibility, particularly should the Board wish to recruit an additional Director. Both the existing Articles and the new Articles allow for a higher amount to be approved from time to time by ordinary resolution of the Company.

Corporate Information – Other

History and Structure

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.

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 2024 (2023: nil), and therefore no amount (2023: nil) was outstanding at the year end.

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.

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;
- 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; and
- If the NPFE is negative, then no performance fee is paid, and the calculation period remains open.

Termination Arrangements

The Investment Management Agreement ("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.

Other

In addition to the above, the Investment Manager is responsible for the first £200,000 of marketing costs and all research costs.

Share Capital, Voting Rights and Transferability

The Company's share capital is divided into ordinary shares of 25p nominal value each. At 30 April 2024, there were 137,315,000 ordinary shares in issue of which 16,693,431 were held in treasury (2023: 11,029,456 ordinary shares held in treasury). As at close of business on 11 July 2024, the latest practicable date prior to signing of this report, there were 137,315,000 ordinary shares in issue of which 17,657,777 were held in treasury.

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.

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. Further information can be found in the Articles of Association available on the Company's website www.polarcapitaltechnologytrust.co.uk

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

Corporate Information - Other continued

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.

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

Benchmark

The Company uses the Dow Jones Global 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.

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 2024 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.

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.

Statement By The AIFM

The statement by the AIFM in respect of matters to be disclosed to investors for the year ended 30 April 2024 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

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 2024 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

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.

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.

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.

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, 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.

As an investor holding shares through one of these platforms, you are entitled to attend and vote at company general meetings. For example, interactive investor allow you to vote your shares at no extra cost through your account and new customers are automatically signed up to the voting and information service, which enables you to receive shareholder materials and vote on decisions directly affecting your UK registered shareholdings.

Please visit the AIC's page below for further information: https://www.theaic.co.uk/how-to-attend-an-AGM

Corporate Information – Other continued

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 between 8.30am and 5.30pm for dealing and up to 6.00pm for enquiries, Monday to Friday. For Internet sales log on to www.shareview.co.uk/dealing.

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.

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 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.

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 and Deputy Manager Alastair Unwin

Company Secretary
Polar Capital Secretarial Services Limited
Represented by Jumoke Kupoluyi, ACG
Email: cosec@polarcapital.co.uk

Independent Auditor
KPMG LLP
Chartered Accountants and Statutory Auditors
15 Canada Square,
London,
E14 5GL

Corporate Broker
Stifel Nicolaus Europe Limited
150 Cheapside,
London,
EC2V 6ET

Depositary, Custodian and Administrator*
HSBC Bank PLC
8 Canada Square,
London,
E14 5HQ

* Administrator appointed under the Investment Management Agreement.

Registrar
Equiniti Limited
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA

Shareholder helpline: 0371 384 2476
(or +44 (0) 371 384 2476 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 Polar Capital Technology Trust plc, 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
July	Announcement of year-end results
September	Annual General Meeting
31 October	Half-year end
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.

aic
The Association of Investment Companies

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This document is printed on Galerie Silk, a paper sourced from well managed, responsible, FSC® certified forests and other controlled sources. The pulp used in this product is bleached using an elemental chlorine free (ECF) process.

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See more at: **polarcapitaltechnologytrust.co.uk**