Polar Capital Technology Trust plc

DIGITAL RECALIBRATION

NEW NORMAL SERVICE WILL RESUME SHORTLY

ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

COMPANY REGISTERED NUMBER: 3224867

TELEVISION AS A GUIDE

This year, the team draws on the parallel of television to help illustrate change happening within technology today and the acceleration taking place as a result of COVID-19.

READ OUR INVESTMENT MANAGER'S REPORT ON PAGES 14 TO 27

POLAR CAPITAL TECHNOLOGY TRUST PLC

(herein referenced as PCT or the Company)

ANNUAL REPORT & FINANCIAL STATEMENTS 30 APRIL 2020

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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 is set out in full in the Strategic Report on pages 39 and 40.

INVESTMENT RATIONALE AND APPROACH

Over the last three decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies can offer the potential for substantially faster earnings growth than the broader market.

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 investment universe and covers many different companies, the portfolio focuses 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, financial, e-commerce and renewable energy, as well as the more obvious applications such as computing and associated industries.

MANAGEMENT STRUCTURE

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

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

FIND OUT MORE

www.polarcapitaltechnologytrust.co.uk

Contains information on stock exchange announcements, Financial Statements and other reports and notices, commentary by the Portfolio Manager and useful links to third parties.

FINANCIAL HIGHLIGHTS

+18.6%

NET ASSETS PER ORDINARY SHARE TOTAL RETURN ~

2019: +24.7%

+18.1%

BENCHMARK* TOTAL RETURN

2019: +21.4%

+31.0%

SHARE PRICE TOTAL RETURN ~

2019: +17.9%

~ Alternative performance measure, see page 118.

* Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes).

FINANCIAL HIGHLIGHTS CONTINUED

FINANCIAL SUMMARY

	As at 30 April 2020	As at 30 April 2019	Movement
Total net assets	£2,308,597,000	£1,935,646,000	19.3%
Net Asset Value (NAV) per ordinary share	1715.59p	1446.40p	18.6%
Benchmark (see below)	2415.42	2045.12	18.1%
Price per ordinary share	1774.00p	1354.00p	31.0%
Premium/(Discount) of ordinary share price to the NAV per ordinary share~	3.4%	(6.4%)	
Ordinary shares in issue*	134,566,000	133,825,000	0.6%

* The issued share capital on 10 July 2020 (latest practicable date) was 137,265,000 ordinary shares.

KEY DATA

	For the year to 30 April 2020	
	Local Currency %	Sterling Adjusted %
Benchmark		
Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes)	14.3	18.1
Other Indices over the year (total return)		
FTSE World	-4.2	-0.7
FTSE All-Share		-16.7
S&P 500 Composite	0.9	4.6
Nikkei 225	-7.2	-0.5
Eurostoxx 600	-10.2	-9.2

EXCHANGE RATES

	As at 30 April	
	2020	2019
US$ to £	1.2614	1.3037
Japanese Yen to £	134.88	145.19
Euro to £	1.1516	1.1632

EXPENSES

	For the year to 30 April	
	2020	2019
Ongoing charges ratio#~	0.93%	0.95%
Ongoing charges ratio including performance fee#~	0.99%	1.33%

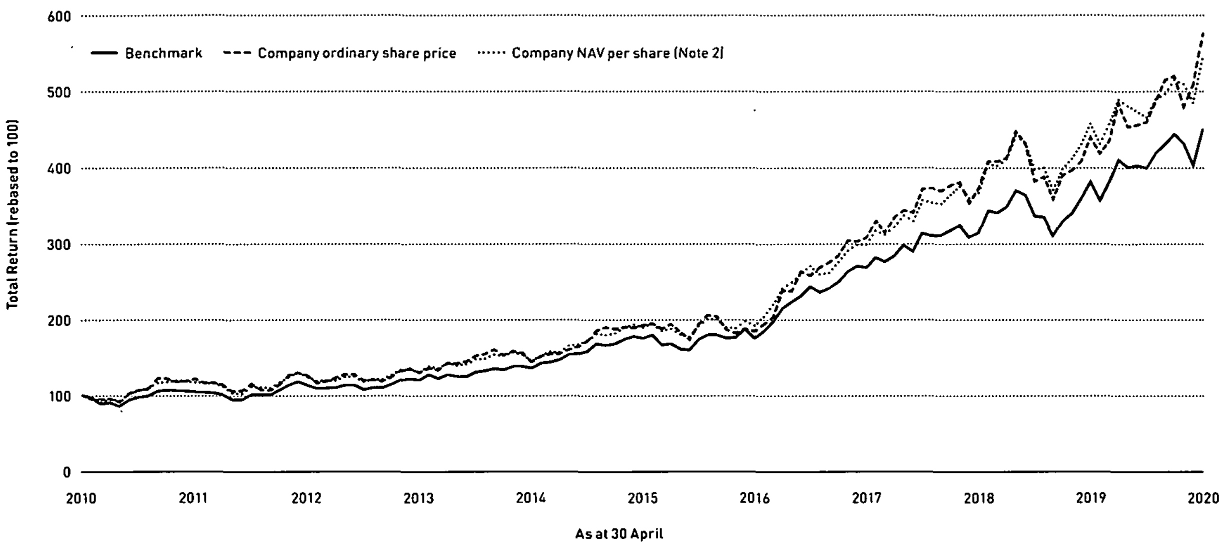
Data supplied by Polar Capital LLP and HSBC Securities Services.

\# Ongoing charges ratio represents the total expenses of the Company, excluding transaction costs, interest payments, tax and non-recurring expenses expressed, as a percentage of the average daily net asset value, in accordance with guidance issued by the AIC. Prior year ongoing charges calculations include the research cost borne by the Company from 1 May 2018 until 31 December 2018. With effect from 1 January 2019 all research costs have been paid by the Investment Manager.

~ Alternative performance measure, see page 118.

PERFORMANCE

10 YEAR PERFORMANCE GRAPH



HISTORIC PERFORMANCE

As at 30 April	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Assets (£m)	398.6	468.7	503.3	528.8	606.6	793.0	801.3	1,252.5	1,551.6	1,935.6	**2,308.6**
Share price (pence)	306.8	373.5	387.0	398.5	442.0	592.0	566.0	947.0	1148.0	1354.0	**1774.0**
NAV per share (pence)	315.1	368.7	392.6	412.4	458.4	599.2	605.5	945.4	1159.7	1446.4	**1715.6**
Indices of Growth[1]											
Share price	100.0	121.7	126.1	129.9	144.1	193.0	184.5	308.7	374.2	441.3	**578.2**
NAV per share[2]	100.0	117.0	124.6	130.9	145.5	190.2	192.2	300.0	368.0	459.0	**544.5**
Dow Jones World Technology Index[3]	100.0	104.7	113.4	120.2	135.9	175.9	175.7	269.5	315.4	383.1	**452.4**

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 2010.*

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

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

All data sourced from Polar Capital LLP.

THE STORY OF RADIO RENTALS

Once televisions became cheaper, less heterogenous and more reliable the earlier rental model – as pioneered by Radio Rentals in the UK – ceased to be relevant. The next wave of cloud adoption may do the same for the IT services industry which is likely to look increasingly anachronistic as workloads migrate to the cloud.

STRATEGIC REPORT

CHAIR'S STATEMENT

Sarah Bates
Chair

INTRODUCTION

Dear Shareholder,

The summer of 2019 seems in many ways a long time ago. Shareholders may remember particularly the election of Boris Johnson as Conservative Party leader, Brexit negotiations, and Climate change protests in response in part to large scale fires in Australia and the Amazon. Sino-US relations were poor and trade war concerns worsening.

A lot has happened since then, and your Investment Manager's report starting on page 14 describes events in considerable detail and provides a very useful record. Almost all Shareholders will have been affected in some way by the COVID-19 pandemic and some Shareholders will have experienced great difficulty and maybe loss. We should not pass this moment without noting your Board's concern and sympathy for those who have been so affected. I should also note that your Board has been in very regular and careful touch with its Investment Manager, other suppliers and infrastructure during these times, and has transferred to remote working with no observable detriment.

Part of the purpose of this report is to put the 12 month period in a longer term context, given that your Company publishes a daily NAV and its shares are listed on the London Stock Exchange. For the year under review, your Company's net asset value rose by 18.6% and your Company's share price provided a total return of +31.0%, compared with the benchmark return of 18.1%. All these returns are stated in UK sterling, which weakened against other currencies 3.2% of the benchmark return came from sterling depreciation against the US dollar. This follows three previous years of very strong returns (from April 2016), since when the market capitalisation of your Company has risen from £749m to £2,387m. Over the last 10 years, with a starting point two years on from the Global Financial Crisis, your Company's NAV has risen by more than five times, or 19.2% annualised, from a starting NAV of £398.6m.

Such returns are spectacular and unusual. They do however mask considerable volatility and we would expect that volatility to continue. We worry about valuations and we worry that the sector has become a media favourite in some ways. At the same time, the longer term trends which guide our investment approach remain very robust, and in some ways the pandemic has given further strength to those trends. In a world where some sectors are in turmoil, we understand the attractions of ours.

DISCOUNTS, PREMIA AND SHAREHOLDER RELATIONS

Last year, we noted that the discount had widened from 1.0% to 6.4%. At that stage, there seemed to be no significant selling from major Shareholders. We suggested that we wished gently to diversify our Shareholder base over time as we consider that Polar Capital Technology is a reasonable way for individual Shareholders to invest in such a volatile sector, should they wish. However, we did indicate that we did not wish to attract a sudden rush of new investors all at once. We are pleased therefore to see that the discount has narrowed and for the last two months of the financial year and generally since then, the shares have been trading at a premium. This change has resulted in the share price total return for the financial year noted above. Although it's always difficult to point to a single cause for such a change, we suggest that the work the Investment Manager has put in to develop website communication, together with changes in individual investor preferences, have resulted in a gentle diversification of the Shareholder base. Currently, some 18.8% of the Shareholder base is held on retail execution only platforms, and hence we assume by individual investors, compared with 16.7% at the end of last year.

We have continued to seek to engage with our larger Shareholders. We held a further event for our wealth manager Shareholders in December 2019, reaching representatives of over 40% of the Shareholder base. I have also contacted representatives of our six largest Shareholders during the COVID-19 lockdown to seek views (if any) in changing times and had helpful comments from some of those in return.

We have issued shares in response to market demand. We have sought to avoid spikes in the premium to net asset value at which the shares trade but at the same time, protecting the interests of existing Shareholders by taking care over both the amount of funds coming into the Company at any one time, and the level relative to net asset value at which shares are issued.

ESG

We have been discussing and developing the way ESG ('environmental, social and governance') issues affect our sector, and indeed had a specific Board discussion about this. We are a bit wary of some of the more box ticking approaches but are acutely aware that there are real issues affecting the companies in which we invest. These may range from the possibility of government action, on which we had a specialist session on anti-trust moves in the US, to CO2 emissions, to governance issues in companies with strong founder Shareholders. On some measures, the risks in the tech sector seem lower than in others, and the Investment Manager does not have an approach which restricts investment on ESG grounds alone. However, ESG risks are important to the overall consideration of individual stock investment and further information on the Company's approach and consideration of ESG is given on pages 28 to 30.

THE BOARD

Peter Hames, who is our Senior Independent Director, and I reached nine years of service in June. In accordance with the Board succession plan as outlined in the 2019 Annual Report and later here, Peter retired from the Board with effect from 8 July 2020.

Further, in accordance with the Board's policy on the tenure of the Chair, it was agreed that I could remain on the Board and as Chair for up to three years but it would be likely that I would retire at the AGM in 2022, in the absence of any reason not so to do. Neither Peter nor I took part in the Nomination Committee's decisions relating to these matters. All Non-executive Directors, including myself, are subject to annual re-election by Shareholders.

I express my thanks to Peter who has been an incredible support to the Board for the past nine years and we will miss his contribution, particularly in relation to Asian markets and given his great experience in investment matters. I am delighted to confirm that Tim Cruttenden agreed to assume the role of Senior Independent Director and Chairman of the Remuneration Committee with effect from 8July 2020. In this role Tim presents his first report to you on pages 74 to 78.

PERFORMANCE FEE

For the third year running, I am pleased to confirm that we are paying a performance fee, this year of £1.1m, (2019: £6.6m, 2018:£11.2m). As detailed in the 2019 Annual Report, the terms of the management and performance fees were re-negotiated with Polar Capital and following discussions with Shareholders, these arrangements took effect on 1 May 2019. Additional payment conditions were incorporated into the performance fee terms with the participation rate lowered from 15% of outperformance to 10%. The Investment Manager can accrue a performance fee by outperforming in a down market, but the payment of a performance fee requires both positive absolute returns and outperformance of the Benchmark. Full details of this fee are in Note 8 to the Financial Statements.

ANNUAL GENERAL MEETING (AGM)

The AGM is scheduled to be held on 2 September 2020. A notice of AGM will be provided to all Shareholders and will be available on the Company's website. This will include details of how the AGM will be held this year.

The health and welfare of our Shareholders, service providers and wider stakeholders is our primary concern. The restrictions that were originally put in place by the UK Government on 23 March in respect of social distancing, movement of individuals and of course gatherings of individuals from outside of the same household, have been reduced somewhat in recent weeks. However, there remain restrictions and concern surrounding large gatherings of individuals and in particular gatherings indoors, and of those with contra-indications or of advancing age groups (including me).

For this reason, following the very recent passing of the Corporate Insolvency and Governance Act 2020 which provides temporary provisions to companies to use alternative methods to fulfil statutory requirements, we have decided to hold a virtual AGM. We do appreciate and think important open interaction with Shareholders and believe engagement with Shareholders is paramount to the essence of the Company. We do think that a virtual AGM is another way of engaging with Shareholders and will be interested to see how it works. We will therefore endeavour to facilitate Shareholder engagement in an electronic way.

While we appreciate this is not ideal, and may be awkward for some, we also think it may be easier for others, and a better alternative, now that it is available, to closed door AGMs. We feel this is the best and safest option available to us in current circumstances.

OUTLOOK

These are particularly uncertain times. As the economist F.H. Knight argued, – there is a distinction between conditions where risks can be identified, in which the possible outcomes are known and percentage probabilities can be assigned to those outcomes, but you just don't know which is going to happen, and those conditions of uncertainty – where you just don't know what's going on. We seem to have political turmoil in the world's largest economy, trade and political tensions between China and the US persist, Brexit hasn't gone away and the impact of the COVID-19 pandemic and the measures taken (both physical and economic) in reaction will surely last for years. At the same time, some of the tech trends which have been in place for some while, have been accelerating and are already evident in some technology company results. Thus, the sector offers an opportunity to invest in the continuation of the trends to cloud computing, containerisation (noted last year) remote working, online social and shopping activity and so on, whereas trends elsewhere may be less attractive.

Sarah Bates
Chair
13 July 2020

FINANCIAL AND PERFORMANCE REVIEW

FOR THE YEAR ENDED 30 APRIL 2020

This year, we have sought to provide more detailed information about the financial results included in this report, following requests at last year's AGM.

The net asset value per share increased to 1715.59p as at 30 April 2020 from 1446.40p at the start of the year, which represents an 18.6% increase. The Company's total net assets increased to £2,308.6m as at 30 April 2020, from £1,935.6m at 30 April 2019, as a result of strong investment performance as discussed further in the Investment Manager's Report on pages 14 to 27. The movement in total net assets for the year is shown in the chart at the bottom of the page.

TOTAL RETURN

The Company generates returns from both capital growth and dividend income. For the year ended 30 April 2020, the total return was £360.1m (2019: £383.6m), of which there was a £365.5m gain (2019: £389.9m gain) from capital and a £5.4m loss (2019: £6.3m loss) on our 'income account' taking dividend income and offsetting all expenses against that dividend income. Full details of the total return can be found in the Statement of Comprehensive Income on page 86. We choose as a matter of policy not to allocate our expenses, between capital and income, (the performance fee is allocated to capital). The Company's allocation of expenses is described in Note 2(d) on page 91 and the allocation methodology is considered on an annual basis. The total net earnings per share were 269.06p, showing a slight reduction of 6.1% from the previous year. The total net return per share was made up of 273.12p from capital return and a loss of 4.06p from revenue return. This decline was related to the slight reduction in the gain in investments held (excluding derivatives and currency) in this year of £348.1m compared to last year of £393.2m.

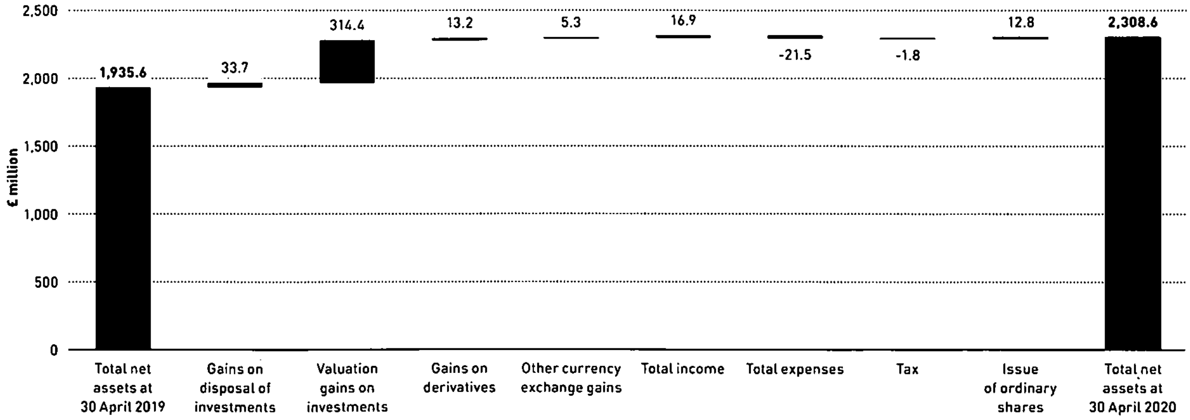
REVENUE RETURN

The investment income of £15.8m (2019: £12.0m) represents dividend income derived from listed investments. The increase in investment income of 32% for the year was driven by changes in holdings, dividend rates and FX rate change as the Company's revenue is generally denominated in currencies other than Sterling. In addition, we have received some funds from our withholding tax reclaims. The other operating income of £1.1m (2019: £1.1m) was derived from bank interest and Money Market Fund interest. We have introduced holdings in a US Treasury money market fund to diversify our deposit risk, as described below.

CAPITAL RETURN

The investment portfolio was valued at £2,218.3m (2019: £1,803.2m) at the year end 30 April 2020. The investment portfolio delivered a realised return on disposals of £33.7m (2019: £93.6m) and valuation gains on investment of £314.4m (2019: £299.6m) for the year ended 30 April 2020. The Company has one small unquoted investment, Herald Ventures, which was valued at £0.05m. The Company's valuation approach is described in Note 2 (f) on page 92. The derivative gains of £13.2m (2019: £1.5m) represent the call and put options which are used to facilitate efficient portfolio management, including some portfolio protection. Full details of the derivative gains are set out in the Note 6 on page 97. For some years, the Investment Manager has used options to provide some protection in the event of a sharp market fall, and in the last year, this strategy did indeed provide an amount of protection in the falls seen in March.

Movement in total net assets for the year to 30 April 2020



PORTFOLIO TURNOVER

Portfolio turnover (purchases and sales divided by two) totalled £1,843.7m equating to 87% (2019: 70%) 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 38. This level of turnover is a little higher than usual given the Investment Manager's response to the COVID-19 crisis, but lower than in the period following the Global Financial Crisis.

EXPENSES

The total expenses amounted to £21.5m (2019: £24.1m) and include: investment management fees of £18.3m (2019: £15.3m), administrative expenses of £0.9m (2019: £1.1m) and finance costs of £1.2m (2019: £1.1m). The performance fee of £1.1m (2019: £6.6m) was charged wholly to capital. The new investment management agreement which came into effect from 1 May 2019, included the removal of any contribution by the Company to research costs and provided for a reduction in marketing spend by the Company; this resulted in a 19.8% reduction in administrative expenses for the year. Had the previous performance fee agreement been in place, the amount payable would have been £0.5m higher.

ONGOING CHARGES

The ongoing charges ratio, as calculated in line with the AIC recommended methodology, represents the total expenses of the Company, excluding finance costs, expressed as a percentage of the average daily net asset value. This ratio shows Shareholders the annual percentage reduction in net asset value as a result of recurring operational expenses (i.e. the expected cost of managing the portfolio) which, whilst based on historical information, provides an indication of the likely level of costs that will be incurred in managing the Company in the future. The ongoing charges ratio for the year to 30 April 2020 was 0.93%, a slight reduction from the previous year of 0.95%. The ongoing charges ratio including the performance fee for the year to 30 April 2020 was 0.99%, a reduction from previous year of 1.33%.

CASH AND CASH EQUIVALENTS

Over the year, the Company maintained a relatively high level of cash, closing the year with £146.7m (2019: £194.2m). As part of its cash diversification strategy, the Company invested 50% of its USD cash balance into a USD Treasury Money Market Fund. As at 30 April 2020, the Company held the BlackRock Institutional Cash Series – US Treasury Fund with a market value of £37m.

GEARING

The Company can use gearing for investment purposes and as stated on page 40, bank loans held as at the year-end amounted to £57.0m (2019: £53.7m). The finance arrangements are made up of two, two-year, fixed rate term loans with ING Bank N.V (JPY 5.2bn and USD23.3m). Both loans fall due for repayment on 2 October 2020. The repayment of both loans would equate to 39% of the cash and cash equivalents readily available to the Company at 30 April 2020. Consideration to the level of borrowings required by the Fund Manager is under review and replacement facilities will be negotiated accordingly with ING Bank N.V. or another provider in due course. Details of any replacement facilities will be announced similarly.

FOREIGN EXCHANGE

The majority of the Company's assets and revenue are denominated in currencies other than Sterling. The Company's total return and net assets can be affected by the currency translation and movements in foreign exchange. Note 27 (a) (ii) on page 109, analyses the currency risks and the management of such risks.

CONCLUSION

This is the first time we have set out a finance report. Should Shareholders find this interesting and helpful, or not, do please let us know by writing to us at the Company's registered office or by emailing the Company Secretary. Both addresses can be found in the Shareholder Information section on page 121.

Sarah Bates Sarah Bates

Chair

13 July 2020

INVESTMENT TEAM

BEN ROGOFF

Partner, Technology

Ben joined Polar Capital in 2003. Ben is the lead manager of Polar Capital Technology Trust and is a fund manager of the Polar Capital Global Technology Fund and Polar Capital Automation and Artificial Intelligence Fund.

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

NICK EVANS

Partner, Technology

Nick joined Polar Capital in 2007. Nick has 22 years' experience as a technology specialist. He has been lead manager of the Polar Capital Global Technology Fund since January 2008 and is also a fund manager on the Polar Capital Technology Trust and Polar Capital Automation and Artificial Intelligence Fund.

Prior to joining Polar Nick was head of technology at AXA Framlington and lead manager of the AXA Framlington Global Technology Fund and the AXA world fund (AWF) - Global Technology from 2001 to 2007. He also spent three years as a Pan-European investment manager and technology analyst at Hill Samuel Asset Management. Nick has a degree in Economics and Business Economics from Hull University, has completed all levels of the ASIP, and is a member of the CFA Institute.

FATIMA IU

Fund Manager

Fatima joined Polar Capital in 2006. Fatima has 15 years' experience. She is a fund manager on the Polar Capital Global Technology Fund, Polar Capital Technology Trust and Polar Capital Automation and Artificial Intelligence Fund. Fatima is responsible for the coverage of European Technology, Global Security, Networking, Clean Energy and Medical Technology.

Prior to joining Polar, Fatima spent 18 months working at Citigroup Asset Management with a focus on consumer products and pharmaceuticals. Fatima holds an MSc in Chemistry with Medicinal Chemistry from Imperial College of Science & Technology in London. She is also a CFA Charterholder.

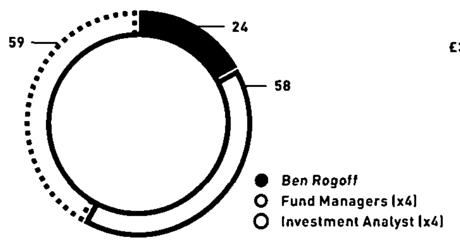
XUESONG ZHAO

Fund Manager

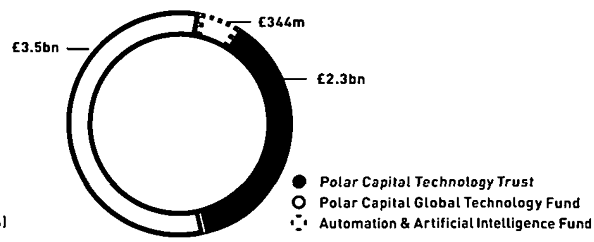
Xuesong joined Polar Capital in 2012. Xuesong has 13 years' investment experience. He is a lead manager of the Polar Capital Automation and Artificial Intelligence Fund and is a fund manager on the Polar Capital Technology Trust and Polar Capital Global Technology Fund.

Prior to joining Polar Capital, he spent four years working as an investment analyst within the emerging markets & Asia team at Aviva Investors, where he was responsible for the technology, media and telecom sectors. Prior to that, Xuesong worked as a quantitative analyst and risk manager for the emerging market debt team at Pictet Asset Management. 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.

Experience breakdown (years)



The team collectively manage £6.1bn in assets



ALASTAIR UNWIN

Fund Manager/Senior Analyst

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

CHRIS WITTSTOCK

Senior Investment Analyst

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

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

PAUL JOHNSON

Investment Analyst

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

Paul holds a BA in History and Politics and a Masters in History from Keele University. Paul has successfully passed all three levels of the CFA program.

BRADLEY REYNOLDS

Investment Analyst

Brad joined Polar Capital in 2011. Brad joined Polar Capital as an Analyst and Trader working within the European Market Neutral team with a focus on media and internet. In 2014, he joined the Technology team as an Investment Analyst.

Prior to joining Polar, Brad worked at Ratio Asset Management as an analyst and trader, and from 2007 to 2011 he worked at F&C as a hedge fund analyst. Brad started his career in 2001 at Gartmore Investment Management working within the hedge fund team. Brad graduated from the University of Hertfordshire with a degree in Business Studies.

NICK WILLIAMS

Investment Analyst

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

INVESTMENT MANAGER'S REPORT

MARKET REVIEW

At the headline level, global equities fell modestly over the year to 30 April 2020 with the FTSE World TR Index falling 1.5% in sterling terms. However, moribund returns belied one of the most remarkable years in living memory as COVID-19 changed the world as we knew it, ending the 11-year US equity bull market in the process. The first two thirds of our financial year was dominated by trade war machinations and Brexit, with related uncertainty weighing on corporate confidence and global growth. In May, US ten-year Treasury yields fell below 2% in for the first time since 2016. Lack of tangible trade-related progress and elevated political risk relating to Iran, Brexit (a more belligerent approach adopted by PM Boris Johnson) and an impeachment enquiry into President Trump weighed heavily on growth. Third-quarter China GDP at 6% y/y was the weakest showing in 30 years while in August, US manufacturing recorded its first contraction since 2009.

However, markets began to price in demand policy easing by the world's central banks. The US Federal Reserve ('Fed') responded, delivering its first rate cut since 2008, lowering rates by 25bps in August, followed by two subsequent cuts in September and October. In Europe, the ECB cut interest rates too and restarted its own quantitative easing ('QE') programme. Although Fed Chair Jerome Powell insisted that its actions should not be viewed as a resumption of QE, the Fed also began injecting liquidity into money market funds from September following a spike in overnight lending rates. These repo operations were expanded in October while the Fed also began purchasing Treasury bills at $60bn/month. This 'stealth QE', together with three interest rate cuts successfully un-inverted the US yield curve. Confidence was further buttressed by progress in trade negotiations with a 'phase one' deal agreed by the US and China in December. The combination of monetary easing and trade progress had the desired effect on global growth with the Global Manufacturing PMI crossing back into expansion territory in January.

This nascent recovery, together with any residual celebrations associated with the UK general election and the end of (the first phase of) Brexit, proved fleeting. News in January of a coronavirus outbreak in Wuhan – at the time, a relatively unknown Chinese city despite its 11m population – presaged tight travel restrictions within China. Outside of Asia, investors were relatively sanguine; the novel coronavirus presented in a similar way to the SARS epidemic of nearly two decades earlier which affected 8,000 people across 37 countries. As such, the risk it posed was considered contained – a nasty flu-like condition that would disrupt supply chains and restrict travel within China. Tragically wide of the mark, this early interpretation was supported by the World Health Organisation (WHO) who in January, advised "against the application of any travel or trade restrictions on China".

Everything changed in February once it became apparent that the virus had spread to more than 60 countries with the likes of South Korea, Iran and Italy all experiencing soaring infection rates. The WHO declared a global health emergency, while a new and menacing name for the virus – COVID-19 – better reflected the threat it posed. Markets plunged – US stocks suffered their worst weekly decline since the financial crisis in late February, while global equities entered a bear market in March. From February highs, it took just 16 days for the S&P 500 to lose more than 20% in local terms, the quickest descent into a bear market on record. The oil price also plunged in record fashion, falling 47% in March, following a breakdown in talks between Saudi Arabia and Russia at the worst possible moment. The following month, an exhaustion of storage capacity drove the May WTI crude oil contract to a negative price for the first time in history, reaching a low of -$37.63 per barrel. Having begun 2020 at 13.8, the VIX index (a market fear gauge which measures implied volatility on the S&P 500) surged to 82.7 in mid-March.

Leaning on the recent experience of the Chinese (and the earlier Spanish Flu) governments across the world introduced stay at home/social distancing measures designed to reduce interpersonal contact and mortality rates and 'flatten the curve'. Strict travel restrictions were imposed and non-essential economic activity was curtailed, resulting in an almost unprecedented contraction in global GDP. US unemployment reached a record 14.7% in April, while analysts predicted that the US economy could shrink 30% annualised in Q2 – the largest quarterly contraction since the Great Depression. Thankfully, and in stark contrast to that earlier period, policymakers acted swiftly with massive monetary and fiscal stimulus, together with emergency legislation to support the economy and financial system. Where early efforts did not have the desired effect – such as the 50bp US interest rate cut and $700bn QE programme in early March – policymakers simply delivered more stimulus in order to prevent a cashflow crunch from developing into a financial crisis. In the US, this saw the Fed cut rates by 150bps and introduce unlimited QE while in Europe, the ECB launched its own €750bn programme. Governments have been equally forthcoming; in the US, the planned fiscal stimulus was $2.6trn (more than 10% of GDP) while total announced German aid was equivalent to c.60% of 2019 GDP. This support, together with the tentative reopening of certain European economies, saw markets rally into our financial year end as focus shifted towards the perceived duration of the downturn, rather than its depth.

Record gains for US stocks during April (the S&P rallying more than 11% in local terms, its best month since 1987) proved a fitting end to another year of US exceptionalism. While most markets registered total returns between 0 and -11% in sterling terms, the S&P 500 delivered +4.5% with much of the divergence explained by the outperformance of the technology sector (and more broadly, growth over value) as investors gravitated towards stocks able to deliver growth against a more uncertain economic backdrop and during the final third of the year, sectors perceived to win (or lose less) from COVID-19 disruption.

TECHNOLOGY REVIEW

The technology sector enjoyed an outstanding year of absolute and relative returns with our benchmark, the Dow Jones World Technology index, advancing 18.1% in sterling terms. Technology outperformance was at odds with weakening sector fundamentals as IT spending increased by only 0.4% y/y during 2019, while sector revenues and earnings grew just 2.8% and 0.8% y/y respectively. However, this obscured the growing divergence between next-generation and legacy companies, as well as the impact of negative earnings from cyclical subsectors. However, it was painfully apparent at the sector level with the performance of software (+23%) and semiconductors (+20%) in contrast to hardware (-3%) and networking (-11%). Regional performance was also bifurcated with US large-caps, as measured by the Russell 1000 technology index, delivering almost twice the returns (+21%) of the Dow Jones World Technology ex US index (+11.5%). The final months of our year proved a boon for the sector as stay at home/social distancing acted as a massive accelerant to a number of key secular themes.

Next-generation software and payments stocks continued to deliver exceptional growth during the year, although strong share price performance was punctuated by an arguably overdue period of valuation compression between July and December reflecting profit-taking, higher bond yields and the debacle at WeWork which caused a scare in long duration assets. Despite this, the digital transformation imperative continued to drive demand for a plethora of SaaS (software as a service) solutions including unified communications (UCaaS), workflow automation, collaboration and real-time monitoring. Microsoft continued to execute flawlessly, solidifying its status as a new cycle winner. While strategic M&A slowed during the year, private equity interest remained robust with Sophos, LogMeIn, Instructure and Cision all acquired by financial buyers which buttressed software valuations. Payment stocks enjoyed a solid year, with Visa (+13%) and Mastercard (+12%) benefitting from the transition from cash to card as well as e-commerce-related growth.

The semiconductor sector suffered its first cyclical correction this cycle during 2019, declining 12%, although excluding memory (where pricing was weak) the contraction was c.2%. There were pockets of strength including CMOS image sensors, MEMS microphones and microprocessors (due to hyperscale capex and a PC refresh cycle), but the most significant development during the year was the permanent bifurcation of the global semiconductor supply chain discussed in the outlook section. Hopes for a trade deal, together with excitement around 5G and a better 2020 saw semiconductor stocks post some of the strongest returns driven almost entirely by multiple expansion.

5G related excitement and trade deal hope also helped Apple (+54%) enjoy a remarkable year following its January 2019 profit warning, its first in over a decade. During the year, the stock benefited from a massive re-rating due to a number of positive developments including stabilisation of smartphone supply chain data, a better than expected iPhone 11 launch and continued growth and focus on its services business. In addition, Apple's accessories business posted strong growth, driven by AirPods (Bluetooth wireless earbuds) that became mainstream with c.60m sold during 2019. In addition, investors began to focus on prospects for a significant iPhone replacement cycle in 2020 driven by the expected introduction of 5G handsets.

Internet stocks experienced a mixed year with returns for most of the year in stark contrast with robust fundamentals. Regulatory risk became a reality as both the Department of Justice (DoJ) and Federal Trade Commission (FTC) announced formal antitrust investigations of the leading Internet platforms in June. In the same month, Senator Elizabeth Warren – at the time a leading contender for the Democrat nomination – raised the spectre of 'breaking up Big Tech' if she became President while in August, France passed a 3% digital tax on sales for large Internet companies. Despite these adverse developments, fundamentals at the leading platforms remained strong, evidenced by online advertising which grew 16% y/y in 2019. E-commerce trends also remained strong; Alibaba's Singles Day event saw gross merchandise value (GMV) increase 26% y/y while in the US, Black Friday online sales grew c.20% y/y. Fundamentals and stock prices converged during the final (coronavirus) phase of the year as the Internet subsector proved one of the greatest beneficiaries of stay at home/social distancing orders.

PORTFOLIO PERFORMANCE

Our total return performance came in modestly ahead of our benchmark, our own net asset value (NAV) per share rising 18.6% during the year versus a 18.1% gain in the sterling-adjusted benchmark. In the US, the most significant positive contribution to performance was made once again by AMD (+96%) as the company continued to execute on its product roadmaps, achieving its highest server CPU market share since 2013. In addition, the portfolio benefited from its overweight exposure to SaaS companies which delivered strong growth against a more challenging economic backdrop. Strongest performance was reserved for those with solutions that helped facilitate work from home (WFH) such as RingCentral (+104%), Everbridge (+56%) and Five9 (+54%).

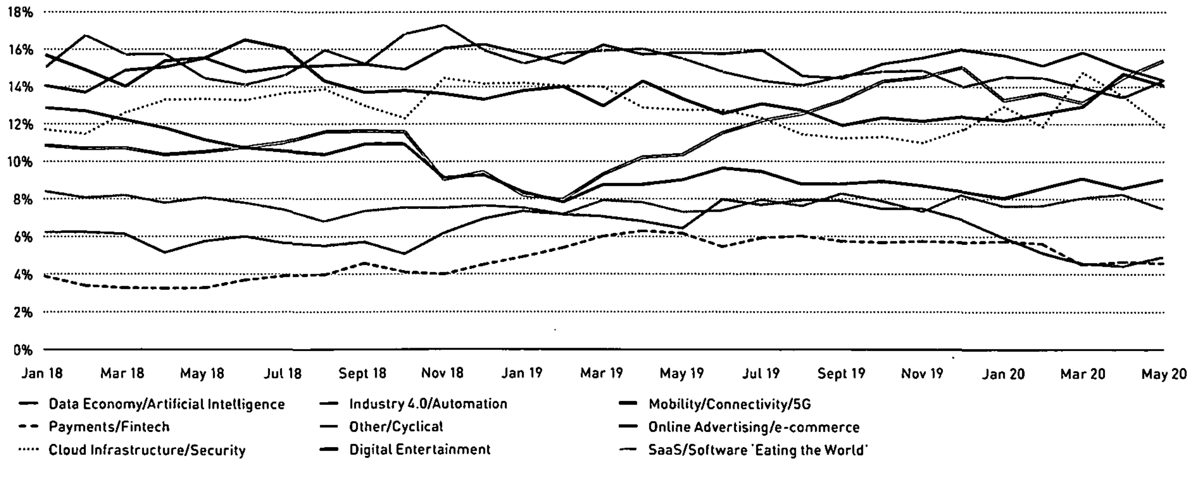
PORTFOLIO PERFORMANCE CONTINUED

The need to support remote workers also benefited next-generation security companies such as Cloudflare (+39%) and CrowdStrike (+32%) while social distancing measures helped the likes of Amazon (+33%), HelloFresh (+84%), PayPal (+20%) and Netflix (+18%). Stock selection was positive across all major regions and nearly all market-capitalisation tiers with the exception of small-caps, which accounted for <2% of the portfolio. Relative performance was also positively impacted by underweight/zero positions in a number of index constituents including Cisco, Broadcom, SAP, Oracle and DXC Technology which struggled with cloud migration, cyclical sensitivity and/or leverage. The portfolio also benefited directly from one corporate action following the purchase of Tableau Software by Salesforce.com at a 42% premium. This, together with a number of private equity transactions helped support software valuations during the year.

In terms of negatives, the most significant detractors were our large but still underweight positions in both Apple (+54%) and Microsoft (+44%). Apple enjoyed a banner year driven by AirPods, services and a better than expected iPhone 11 launch while Microsoft benefited from Office365 and Azure growth, with remote work driving rapid adoption of Teams, its unified communication and collaboration platform. In addition, a number of 2019 IPOs such as Pinterest (-31%) and Uber (-37%) performed poorly as a result of inconsistent growth and a loss of investor appetite for long-duration assets. Relative performance was also hindered by a number of other individual stock moves due to disappointing earnings progress and/or valuation deratings such as Arista Networks, 8x8 and Pagseguro Digital. Finally, our cash position (which averaged 5.5%) also detracted from performance in what ended up being another strong year for technology stocks. However, this drag was almost entirely offset during the period of market turbulence by strong gains in our NASDAQ put options that contributed nearly 100bps to portfolio performance. During the year, there was a significant divergence between large (+21%) and small-cap (-3%) US technology stocks as measured by the Russell 1000 and 2000 technology indices.

Our thematic exposure was relatively stable for much of the year, with most of the variation explained by adjustments for stock-specific, 'bottom-up' reasons. The largest positive thematic change was in mobility where we continued to increase our 5G exposure via a combination of new purchases, such as Marvell and Keysight, and the adding to of our Apple position. In contrast, we decreased our exposure to industrial automation towards the end of the 2019, taking profits in a number of stocks against the backdrop of economic and end market (auto/smartphone) weakness. However, in February/March, we made significant changes to our portfolio to better position it for COVID-19 disruption. While not abandoning every stock with economic sensitivity, we rotated away from cyclical areas, including travel, payments, small and medium-sized business (SMB) and advertising, as well industrial/ automotive and associated robotics and semiconductor stocks. We also reduced and/or sold stocks we felt might be negatively impacted by behavioural changes, such as online dating, cinema, and rideshare, as well as 'big ticket' software stocks with long implementation cycles. We rotated into 'stay at home' beneficiaries within e-commerce and cloud infrastructure such as Alibaba, Amazon, Netflix and Spotify while purchasing several next-generation security stocks including Cloudflare and CrowdStrike. We also added further to 5G, while reducing our underweight exposure to the PC and server markets, with remote work likely to drive near-term demand at home and in the data centre. Towards year end, we began to transition the portfolio towards stocks and themes that should fare well as restrictions are eased and/or in the 'new normal'. This saw us rebuild some of our industrial automation and payments exposure at the expense of some of the early 'lockdown' winners such as video gaming, as well as software as a service companies, especially where valuations had fully recovered.

PCT Thematic Breakdown



MARKET OUTLOOK

At the time of writing there have been more than 5.8m cases of COVID-19 and more than 360,000 deaths reported globally, although the case curve peaked or flattened in several of the worst affected regions during April. The global economy is currently experiencing its most severe contraction in modern history as governments across the world have instigated lockdowns to slow the spread of COVID-19, better prepare health systems and save lives. In the words of Fed Chairman Powell, the "scope and speed of this downturn are without modern precedent [and] significantly worse than any recession since World War II". In April, the US economy lost an unprecedented 20.5m jobs taking the unemployment rate to 14.7% while in the UK, 7.5m people have been furloughed. The economic damage from containment measures will be fully felt during Q2 with the US economy expected to contract by as much as 40%, while in India, the virtual shutdown has seen the services PMI fall to just 5.4, catastrophic given that services account for more than 50% of India's economic output. Globally, GDP is expected to contract by c.9.8% in Q2'20, similar in scale to but arguably broader in reach than the Global Financial Crisis (GFC) of 2007–2009. Current IMF forecasts for 2020 expect the global economy to contract by 3% before rebounding +5.8% in 2021 as economic activity normalises. However, the economic outlook is 'highly uncertain and subject to significant downside risks'.

Our own outlook is broadly in-line with the current consensus which (we believe) assumes a limited lockdown period (2–3 months) that is followed by a recovery hampered by social distancing restrictions ahead of a vaccine in 2021 beyond which things 'normalise'. During this time, policymakers are likely to do whatever is required to preserve the financial system. **Their efforts thus far have been nothing short of spectacular.** Interest rates have been slashed to zero in nearly all developed economies, while central banks have already expanded their collective balance sheet by an estimated $4trn, led by $2.4tr from the Federal Reserve (Fed). By the end of 2021, the G4 plus China are expected to have increased their balance sheets by $13tr with the Fed and the ECB balance sheets exceeding 50% of GDP. Unlimited QE from the Fed, the world's lender of last resort, has effectively taken on private sector credit risk. Fiscal stimulus has also been 'eye popping' with US efforts estimated at $2.6trn, close to double anything seen in over a century with its flagship Coronavirus Aid, Relief and Economic Security (CARES) Act worth c.9% of GDP and double the size of the intervention following the financial crash in 2008. While different countries have adopted varied approaches, total worldwide stimulus has been estimated at $15tr to date, equivalent to c.17% of the global economy last year.

We cannot know if this will prove sufficient, not least because we have limited conviction in the recovery timeline and trajectory. However, **we fall back on our confidence in policymakers and their desire to prevent a temporary paralysis from causing a Steinbeckian downward spiral.**

With interest rates at zero, and the proverbial 'monetary bazooka' already unleashed, there is some nascent concern that central banks could run out of ammunition. Having heard this argument before during the GFC, we believe that more firepower will be found if required even though the Fed has emphatically ruled out negative interest rates, much to President Trump's dissatisfaction. That leaves forward guidance, QE and yield curve control within the Fed 'toolkit' but with markets already pricing in the zero-lower bound (ZLB) for the next c.5 years, only QE is a viable option today. Thankfully, it appears to be working well with Treasury buying already declining by 90% from its daily peak of $70bn.

As the world moves out of a lockdown phase, governments will have to balance the risks of further escalations in COVID-19 infection rates with the risks of curtailing economic activity. They must do this within the realms of what is politically possible (which changes over time as well as differing by place), using imperfect and sometimes contradictory information. The bridge between the economic 'medically-induced coma' that lockdowns necessarily precipitated and some semblance of a 'back-to-normal' economy is still a work in progress. However, economics and crucially, a much lower infection fatality rate (IFR) than initially believed, means that the lockdowns must end. We are closely monitoring approaches around the globe and have currently positioned our portfolio for a staggered reopening of the global economy. This involves a balance of positions in companies that will benefit from working and living at home (such as digital entertainment and remote work) and those that will see trends accelerate as the economy opens and evolves (for example industrial automation and food delivery).

This approach reflects our reluctance to wade into the 'shape' of the recovery debate ('V','U','W' etc.) although we suspect that the V-shape recovery in equity markets is unlikely to be matched by economies as they reopen, a view supported thus far by the experience of China, which was first in, and first out of lockdown. There, a combination of job losses, ongoing social distancing measures, continuing concerns over health and higher precautionary savings rates appear to be partially offsetting pent-up demand. The CEO of McDonald's recently acknowledged that they were "not seeing a V-shaped recovery in China", sentiment echoed by Fed Chair Powell when he stated that there was "a growing sense that the economy may recover more slowly than we would like". Instead, a 'swoosh shaped' recovery trajectory seems most likely to capture the lingering effects of social distancing driven either by regulation or self-enforcement. In addition, there are likely to be significant changes to daily life that persist well after lockdown has ended, some of which may prove permanent. Many of these involve accelerated technology adoption to replace real-world activities that are no longer possible nor desirable, a topic to which we return later.

INVESTMENT MANAGER'S REPORT CONTINUED

MARKET OUTLOOK CONTINUED

The persistence of this so-called 'new normal' depends greatly on what happens next. If a vaccine is discovered tomorrow, most of the COVID-19 related behavioural changes will disappear as rapidly as they arrived to be remembered fondly in years to come like wartime recipes for making cakes without eggs. **However, the longer it takes for a vaccine or antidote to be discovered, the less likely it will be that we ever return to the world as it was.** The current consensus on when a vaccine might be discovered is between 12–18 months, a timeline reiterated recently by the top infectious disease expert on President Trump's coronavirus taskforce. Under normal circumstances, this timeline would be considered ambitious at best given that it takes on average four years to develop an entirely new vaccine. However, these are not normal times with at least 254 therapies and 95 vaccines currently being explored while the Gates Foundations and others are trying to address inevitable manufacturing bottlenecks ahead of schedule. Unfortunately, the experience of HIV – a virus that also permanently changed social behaviour – is sobering given there is still no successful vaccine after 40 years of effort.

Our base case is that a vaccine or antidote is discovered in 2021, but this may just be wishful thinking on our part, akin to the popular view held in 1914 that 'war would be over by Christmas'. However, should the timeline slip, all is not lost as the HIV experience shows because despite the lack of vaccine today, a 'litany of antiviral drugs' has seen 'a disease that was once a death sentence become a chronic condition'. Put differently, COVID-19 may be something we cannot eliminate but as long as we adhere to a suitable regimen it can be managed until a vaccine is found or herd immunity achieved. That regimen will lean heavily on social distancing, morbidity-related policy and living healthier lives (given the strong link between obesity and COVID-19 outcomes). Although we do not know what final form the 'new normal' will take, we are hopeful that our species will prove adaptable. So far, the evidence is hugely encouraging.

Underpinning this relatively sanguine view is a creeping realisation that COVID-19 is perhaps less deadly than initially believed. Not so for older individuals and people with co-morbidities but for the general population, and in particular younger people. A recent WHO study suggested that up to 3% of the world's population may have already had the disease, 9–10x more than the number of reported cases. Although this remains a long way from the 60% said to be required for herd immunity, it significantly changes infection fatality rate (IFR) calculations. In February, the team at Imperial College estimated the IFR at c.1% but more recent studies suggest IFRs of 0.66% and 0.16% respectively.

More importantly, they reveal the clear age-related severity of the disease with over 60s more than 20x greater to die from COVID-19 than those under 60. This is supported by data that suggests that 95% of Italian deaths occurred in those aged 60 and over, while 80% of the deaths in people aged 40 or less had serious pre-existing conditions. This data strongly supports lifting restrictions on an age-related basis and suggests that, with social distancing in place and health systems better prepared, that risk associated with a 'second wave' is likely overstated.

COVID-19 represents one of those generational moments when normality is suspended. Usually, these are deeply personal moments when the passage of time is interrupted by news of serious illness or an unexpected development that changes everything. Once life restarts, for some it simply snaps back to its earlier state. But for many, the timeout allows them to recalibrate and focus on what really matters to them. **Our sense is that COVID-19 will result in societal recalibration** – permanent changes that persist long after the pandemic – many of which will seem obvious in the fullness of time. The success of work from home (WFH) together with challenges to mass transit systems posed by social distancing means that many of us are unlikely to work as we did previously. This may have a profound and lasting impact on demand for commercial property, coffee shops (as a 'third space'), business travel and even the role of cities. Rather than trying to move people at high speed in and out of business hubs (with HS2 expected to cost more than £106bn) perhaps infrastructure spending should be redirected to providing nationwide high-speed Internet. If we came to dominate the world because sapiens were the only animal able to assemble and cooperate flexibly in large numbers, then in a socially distanced world the case for universal internet access has never looked stronger.

In time, remote work could allow companies and people alike to relocate anywhere with a good Internet connection, akin to how containerisation eliminated the need for factories to operate near ports. Hard fought freedoms may be surrendered in order to contain future outbreaks with thermal cameras, quarantine and state-level surveillance becoming the norm. Myriad industries (travel, hospitality, retail, manufacturing, sport and fitness, communal worship) may need to be reimagined in order to comply with social distancing. The use of physical cash, how we greet friends and strangers and perhaps most importantly, our relationship with our planet all appear subject to change too. Perhaps the stark reality of COVID-19 will allow us to address issues seemingly impossible today, with the UK Prime Minister's own experience presaging a renewed focus on obesity and healthier living. We are also likely to see an acceleration in the trend of deglobalisation and reshoring because synchronised demand for critical items such as PPE and paracetamol, exposed frailties associated with global supply chains. Relying on India and China for 84% of the world's paracetamol now not only looks incredibly reckless but may embolden those who believe capitalism requires closer supervision.

MARKET RISKS

The principal near-term risk to our base case is a material **setback in the recovery timeline** that challenges the critical assumption that policymakers will do whatever is required to prevent another Great Depression. This could come in many forms – widespread corporate failure and job losses, a more aggressive mutation of the virus or a deadlier 'second wave' of infections as was the experience during the Spanish Flu. Any loss of confidence in the ability of policymakers to deliver economic safe passage would be catastrophic and difficult to reverse. Recent travails in energy markets are a good reminder that some COVID-related imbalances lie beyond the scope and remit of central banks and monetary policy. The absence of 'light at the end of the tunnel' would force investors to refocus on the present. This could result in inequality-driven social unrest as the impact of COVID-19 falls disproportionately on lower-paid workers and potentially result in significantly more social unrest.

We should also consider **elevated equity valuations** that might already capture much of the recovery upside. The combination of negative earnings revisions and rebounding equity markets has taken the forward PE on US stocks to **20.3x** (2019: 16.8x), well above five (16.7x) and ten-year averages (15.1x). With current estimates for revenue and earnings growth in 2021 at 8.6% and 27.3% respectively, another key risk relates to an earnings recovery that falls short of expectations. This could happen for macro reasons – worse than expected job losses and corporate failures – but also because companies have to absorb new costs associated with social distancing/WFH or decide to pay their workers more. Others (like Amazon) look to invest the upside associated with the crisis in order to do 'the right thing' or perhaps reduce the risk of potential windfall taxes.

The resumption of **trade war uncertainty** *also represents a* very significant risk to the recovery. While neither side will want to jeopardise their phase one deal until the global economy is on firmer footing, President Trump has been highly critical of China's response to COVID-19, referencing it as the 'China Flu' or worse. The Trump Administration is said to have drawn up a long-term plan to punish China for allegedly concealing the virus from the world. While measures are said to potentially include sanctions and *cancelling US debt obligations, thus far the US has simply* dusted off its trade-war playbook. However, its recent requirement that overseas chipmakers using US technology will need to seek government approval before shipping to Huawei represents a significant escalation in trade tensions which are unlikely to dissipate while the gulf between the US and Chinese experience continues to grow, evidenced by a US death toll now 15x greater than China's.

With a number of other countries including Australia, Brazil and the UK are clearly angered by Chinese obfuscation, there will be an inevitable longer-term recalibration of the world's relationship with China. This may be limited, or it could be part of a wider process of **deglobalisation** with the crisis not only exposing the frailties of comparative advantage but also exploding the myth of global cooperation. In contrast to the global financial crisis when G20 leaders pledged not to resort to protectionism, COVID-19 has been characterised by the ungainly pursuit of national interests. Open borders have been shut and international cooperation suspended. Supranational organisations such as the WHO have been found wanting, neutered, like the United Nations (UN), by the need to reach an international consensus. The commandeering of PPE laden lorries heading to the UK by the French will have done little to smooth ongoing Brexit negotiations. Likewise, the ability of the British to print 'helicopter money' – an option not available to Italy or Spain – will not have been lost on other eurozone members.

Having already withdrawn from a number of high-profile UN organisations, the recent US decision to withhold funding for the WHO and suspend the issuance of 'green cards' looks increasingly reminiscent of the 1930s isolationism which also followed economic dislocation. US withdrawal from the world stage would (intentionally) upset the status quo, create trade friction and heighten political risk with vacuums left by US disengagement likely to be filled by China, Russia, Turkey or Iran. Much depends on the outcome of the **US Presidential elections** in November; while a Biden victory would ameliorate this risk, it would introduce others including higher taxes to pay for an Obama-style healthcare plan costed at $750bn over ten years. At the time of writing, President Trump is still expected to win re-election, but that could change in the coming months.

There are a number of other downside risks to consider. These include a potential future inflation shock following record monetary financing of government budget deficits. While this would certainly be one way to alleviate the record amount of debt that exists today, the record stimulus is offsetting haemorrhaging demand while inflation expectations are currently languishing near record lows. As such, deflation continues to represent the greater threat *with Japanification – a low growth world swimming in debt* cheap to service but unlikely to ever be repaid – looks more likely than hyperinflation, but that might have also been the prevailing thought in Germany after WWI. Wages could surprise to the upside due to deglobalisation and/or lower levels of future migration, while post-war experiences have often seen labour demand more of the economic spoils. And then there is the thorny question of who is going to foot the bill for the $10trn of stimulus.

MARKET RISKS CONTINUED

There are also **upside risks** to consider. The early discovery of a vaccine would result in rapid normalisation which, together with unprecedented stimulus could result in a **melt-up**. Although equity valuations may appear to capture much of the upside, **it is difficult to know what the right price for something is when US risk free rates are near zero** with ten-year US Treasuries yielding less than 100bps at time of writing. On a relative basis, equities look attractive compared to bonds and cash where negative real returns appear highly likely. We may also be positively surprised by the recovery trajectory with only 10% of investors currently expecting a 'V-shaped' recovery. Likewise, with more than two-thirds of investors characterising current market strength as merely a bear market rally, current positioning appears to confirm that the proverbial 'pain trade' remains up.

TECHNOLOGY OUTLOOK

After a difficult 2019 for IT spending, hopes for a better 2020 were cut short by COVID-19 and the global downturn. In January, growth had been pegged at +3.5% y/y but today, worldwide IT spending is expected to fall to $3.4trn in 2020, representing an 8% y/y decline in dollar terms. Likewise, technology revenues and earnings that made little overall progress in 2019 are expected to increase by 2.3% and 1.4% respectively in 2020. However, this is significantly better than forecasts for the S&P 500 with revenues and earnings expected to decline by 3.8% and 20.3% respectively. First-quarter earnings season has been supportive of this bifurcation with 73% of technology companies delivering revenues ahead of expectations compared to 57% for the S&P 500. Relative technology strength is expected to continue in Q2 (when the impact of COVID-19 will be more fully felt) with technology revenue growth pegged at -1.2% y/y compared to -11.3% for the broader market.

The combination of positive sector returns and negative earnings revisions saw the technology sector continue to rerate over the past year leaving it trading on a forward PE of 22.5x as compared to 18.9x at the previous year end. This represents one of the highest forward multiples enjoyed by the sector since 2005 and is well ahead of five (17.8x) and ten-year (15.4x) averages. However, the sector's relative rating represents only a c.5% premium to the broader market (2019: 8%), ignoring its balance sheet strength. In early February, this premium exceeded 20% but has been ameliorated by subsequent earnings revisions that have been less negative than the broader market. Today's modest premium looks well supported by the sector's relative earnings profile, profitability (net margins that in Q1 were twice that of the S&P at 20.8% and 9.4% respectively) and balance sheet strength. As in previous years, the technology sector is unique in boasting net cash.

Our view last year that a *Nifty Fifty* type market would persist was borne out as investors continued to be drawn to growth stocks against the backdrop of a sub-par global economy and lower risk-free rates. This remains our view for the same key reasons, with COVID-related disruption creating an even greater distinction between winners and losers from technology disruption. The market may feel uncomfortably thin and there are definite pockets of valuation exuberance emerging, but this is entirely consistent with our view that leadership rarely changes during a late-stage bull market. The remarkably flat yield curve should also continue to support technology outperformance versus financials. Finally, there is the real possibility of a 'melt-up' scenario with COVID-19 delivering the regulatory and behavioural change (social distancing) that accelerates adoption of next-generation technologies, propelling valuations of stocks that perfectly capture the zeitgeist into new and potentially uncomfortable territory.

ACCELERATED INNOVATION

Thus far the technology sector has fared relatively well during the crisis, initially due to its defensive characteristics – strong balance sheets, high margins and recurring revenues. However, the sector has also proved its criticality to the global economy in the gloomiest of circumstances while ameliorating the economic and social consequences of COVID-19. This is hugely gratifying, particularly as we recently passed the inauspicious milestone of the 20-year anniversary of the bursting of the dotcom bubble in March 2000. After that false start, the Internet has delivered on its earlier promise as a general-purpose technology creating massive new market opportunities and widespread disruption, with COVID-19 and associated social distancing accelerating both. With budgets pressured, CIOs have moved to something akin to a 'war footing' prioritising 'mission-critical' spending in order to support remote work and changing user behaviour.

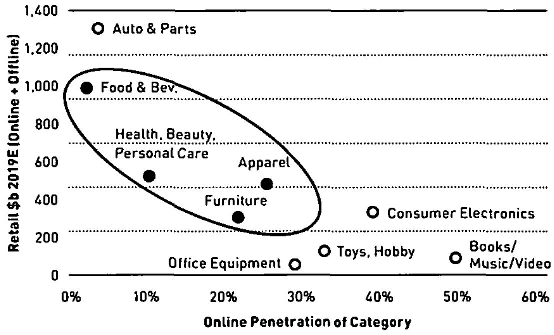
There is **nothing quite like a crisis to spur innovation**, necessity being the mother of invention. During the Second World War – arguably one of the most analogous periods to the present one – technology innovation was greatly advanced across myriad fields. Healthcare was forever altered by the mass production of penicillin, as well as mass immunisation for tetanus. The world's first digital computer – the Colossus I – was deployed by the enigma code breakers at Bletchley Park. Jet engines used in fighter aircraft revolutionised aviation while advances in rocketry presaged the Space Race. Radar technology led to more accurate weather forecasting while Motorola's backpack walkie-talkie was born on the battlefield, alongside synthetic rubber, morphine, EpiPens and blood plasma.

Just as that early crisis accelerated technology innovation and the roll-out of modern infrastructure, so we expect COVID-19 to drive rapid adoption of cloud computing upon which modern software and Internet services sit. The kernel of the new technology cycle, the public cloud had become the default platform for compute and storage well before COVID-19 accounting for (we estimate) between 20–25% of workloads. While public cloud growth had been pegged at between 21–31% over the next three years, the need to support remote work and learning, telemedicine, over-the-top video, streaming gaming and an e-commerce boom has left these forecasts looking stale. In Q1, market leader AWS grew revenues by 37% y/y, Microsoft Azure saw sales increase 61% y/y in constant currency, while the combination of Google Cloud and G-Suite grew 52% y/y. Accounting for just 4–5% of total IT spending today, cloud infrastructure and software are likely to take substantial share over the coming years. This will come at the expense of legacy technologies that are unable to support or secure remote work while exploding the myth of hybrid cloud (the idea that cloud and on-premise compute coexist) the de facto state of computing today.

In previous years, we have used parallel developments in other industries to (hopefully) bring to life the changes occurring within technology today. Last year, we used cars and horse-drawn carriages in the early 1900s to highlight how coexistence is merely a temporary state during which time new technologies complement before replacing legacy ones. We also charted the history of shipping containerisation in order to convey how modern software architectures would change the scale, speed and scope of technology. **This year we draw on the parallel of television which we have explored in the enclosed 'TV Guide'.**

Internet stocks have proved one of the most significant beneficiaries from COVID-19 although this benefit has not been evenly distributed. Worldwide e-commerce sales were expected to increase 19% y/y in 2020. However, with normal life curtailed, virtual alternatives have never been more attractive resulting in average online transaction volume rising 74% in March. Few companies were better positioned than Amazon; it reported a 26% increase in Q1 revenues while adding 175,000 employees to help meet soaring demand. In China, Alibaba grew revenues by 22% y/y while reaching $1trn of gross merchandise value (GMV) in the year to March. Categories that have benefited most include clothing, furniture and food delivery. Nascent categories such as online grocery (c.2% penetrated prior to COVID-19) and connected fitness have fared particularly well, with social distancing not only accelerating adoption but also potentially expanding addressable markets. During Q2, gym closures helped Pelaton grow sales 66% y/y, Ocado retail revenue increased more than 40% y/y while 41% of US shoppers that bought food online early during the lockdown *had never done so before*. Brands are following their customers online and building e-commerce-enabled websites that allow them to control the retail experience and establish direct-to-consumer (DTC) relationships.

E-commerce penetration by category



Source: eMarketer, Bernstein analysis

However, not all categories have benefited. Online travel – a vertical we had avoided due to its relative maturity – has been ravaged by the lockdown. Both Booking.com (not held) and Airbnb (private) have seen revenues decline by c.85% y/y with 'minimal' evidence of recovery thus far according to Mastercard May travel volumes. Faced with an 'existential struggle', travel companies have tapped capital markets to shore up balance sheets while valuations have plunged. This includes former darling Airbnb said to have recently raised money at a $18bn valuation having been expected to be worth $42bn at IPO this year. Weaker travel trends have also significantly hurt ride-share companies such as Uber and Lyft, delaying Uber's timeline to profitability while both companies have announced large workforce reductions. Data from reopened markets suggest that any travel recovery will be gradual and likely to involve different consumption habits (e.g. more domestic travel via car) until confidence is fully restored and/or a vaccine is found. We continue to sport large absolute positions in flagship e-commerce companies Alibaba and Amazon augmented with smaller holdings. These include those held before the crisis – Ocado, Meituan Dianping, Peloton and Uber as well as new purchases such as Autotrader, TripAdvisor and Zalando.

We have also added exposure to media content with the lockdown accelerating adoption of streaming video and music. Intensifying OTT competition that dominated the headlines in 2019 was soon forgotten as video streaming 'became everyone's favourite pastime during quarantine'. Consumers streamed 13.2bn hours in Q1'20, an increase of 49% y/y while Netflix added 15.8m subscribers in Q2, well ahead of the 11m expected by the Street. Having won the attention of Generation Z, short-form video has captured the zeitgeist of the lockdown with Tik Tok (owned by China's ByteDance) experiencing more than 200m downloads during Q1'20 with weekly average usage reaching 6 hours per week. In contrast, prime-time TV viewing fell 18% y/y among 18–34-year olds between March and April suggesting that 'cord-cutting' is accelerating. The pandemic has also exploded the myth that video is a 'winner takes all' market with the second wave of competition arguably accelerating the demise of linear TV.

INVESTMENT MANAGER'S REPORT CONTINUED

The same might also be said for music with stay-at-home orders leading to a surge in listening hours which, according to Sonos, increased 48% y/y in April while Spotify added 10m premium subscribers during Q1, taking its total to 130m. We continue to gain media exposure via medium-sized positions in both Netflix and Spotify and via Alphabet, which owns YouTube.

Unsurprisingly, the outlook for **online advertising** is less positive reflecting the slowdown in overall consumer spending, especially within the travel vertical. However, declines have been shallower than feared to date, aided by relative strength in direct response advertising (echoing the shift to e-commerce) and significantly higher usage of social media and messaging platforms. At Facebook, monthly active users (MAUs) across its 'family of apps' reached 3bn for the first time in March while in countries hardest hit by the virus, messaging and voice/video calling increased by more than 50% and 100% respectively. Soaring usage allowed advertisers to achieve higher ROIs and Facebook to deliver constant currency (cc) revenue growth of 19% y/y. Alphabet (Google) also performed better than feared with constant currency revenue growth of 15% y/y, aided by search usage which at its peak was four times the peak of Super Bowl search activity.

The resilience of both platforms highlighted how under-monetised they are now that millions of companies need to find customers online. At Facebook, there are 140m small businesses using free tools but only 8m that currently advertise on the platform. Without a similar surfeit of would-be advertisers, smaller platforms like Pinterest and Twitter struggled to monetise strong engagement trends. While we expect the advertising outlook to remain highly uncertain, we have been pleasantly surprised by relative strength at Facebook and Google and have added back to each, as well as to Tencent, the leading social networking platform in China. We are also excited about the potential of so-called **social commerce** as social networks move away from lead generation towards the final transaction, a trend likely accelerated by COVID-19.

While the pandemic has benefited the Internet subsector, we remain alive to the **regulatory risks** that could yet overshadow robust fundamentals. These risks relate to a number of different areas such as data protection, with the California Consumer Privacy Act (CCPA) the latest attempt to strengthen consumer rights relating to data collection. While this may (like GDPR) again benefit the platforms with the largest daily audiences at the expense of smaller players, antitrust risk is aimed squarely at the internet giants. This risk took shape in July 2019 when the DoJ formally announced it had opened a broad antitrust review of market-leading online platforms while Facebook later revealed that the FTC had launched a similar investigation into the company in June. Potential implications range from fines, new regulations on business practices or a breakup in a worst-case scenario, although this outcome appears less likely now with Biden as Democratic candidate for President. A series of long and drawn out inquiries look inevitable. Higher taxes represent another risk with the OECD having proposed a new international corporate tax system in October in order to prevent countries such as France and the UK unilaterally applying digital sales taxes. Finally, labour laws that tighten the definition of independent contractor, such as the California Assembly Bill 5 (AB5) legislation which went into effect on 1 January 2020 may threaten the 'two-way flexibility' essential to the so-called *Gig Economy*.

We remain relatively sanguine about most of these risks. While the 'second Gilded Age' argument was always beguiling, it is fallacious to simply compare the market shares enjoyed by Google today with Standard Oil in the early 1880s, a view strongly supported by the current crisis. Not only have the large technology platforms greatly ameliorated the impact of COVID-19, but many have done everything possible to avoid profiting from it. In Q2, Amazon prioritised lower margin 'essential' products while reinvesting all of its operating income on COVID-19 related costs, including higher wages, PPE and testing capabilities. Likewise, *Google Classroom* – a free educational tool – was used by 100m students and educators in March. **Even as the munificence of technology companies fades in the minds of policymakers, the crisis has revealed how network effects can quickly create natural monopolies by design or otherwise.** Should Google be applauded for helping to keep schools open, or castigated for competing unfairly with free products? Likewise, will Zoom be investigated in years to come for offering free videoconferencing to hundreds of millions of people during the crisis? After two furious decades that have seen the internet radically rewire our societies, we may be overdue a period of consolidation and some recalibration. But this will not be easy for policymakers to deliver, particularly as the US internet giants represent the vanguard of American efforts to stay ahead of the Chinese in any potential 'technological cold war'. They may have to settle for higher taxes.

The crisis is likely to represent a turning point for the **payments** industry, accelerating secular trends in banking and digital payments at the expense of cash and incumbents. While previous crises have typically resulted in people hoarding cash, COVID-19 has seen consumers and businesses eschew it and the physical contact it requires. In the UK, cash usage halved in just a few days during March replaced by safer and quicker contactless payments that now account for nearly half of all in-store transactions between £30–50. The rapid adoption of e-commerce has also been hugely beneficial, with Adyen (not held) posting a 34% surge in Q1 revenue while PayPal saw payment volumes increase by more than 20% y/y during April. Greater use of digital services and fintech alternatives have also led consumers to reappraise their relationship with banks. Over time, this could leave traditional banks as 'dumb balance sheets', fit only to provide capital via a customer relationship owned by the fintech companies.

The recent inclusion of Square, PayPal and other non-bank finance companies in disbursing rescue loans for small businesses is testament to their unparalleled reach and speed, Square Capital was able to get a loan to a business in under 24 hours. Square has also experienced skyrocketing demand for its peer to peer payment app such that the term Cash App is now included in more than **2000 hip hop songs!** However, COVID-19 has been far from unequivocally positive, hurting remittance and cross-border volumes (an important profit pool for the payment networks) and reducing overall spending. It may also accelerate the arrival of new competition in the form of 'big tech' with their large and engaged users bases and strong technology capabilities. Despite this, we remain excited about payment pure plays, our enthusiasm moderated only by elevated valuations that already embed some of the post pandemic opportunity. We currently hold PayPal, Mastercard, Visa, and Square while our positions in Tencent and Alibaba provide exposure to the two most important Chinese mobile payment assets, *WeChat Pay and AliPay*.

Videogaming has been one of the more obvious beneficiaries of stay-at-home orders, with Steam (the leading PC video game distribution service) recording its peak concurrent player record in early February (18.8m). Likewise, Activision Blizzard's free-to-play Call of Duty Warzone released in early March reached 30m players in just 10 days. Any doubt about whether soaring engagement would prove monetisable was answered emphatically in April when NPD revealed US spending on video games had increased 73% y/y. While strong Q1 results from most of the major publishers was accompanied by lukewarm guidance, this may prove conservative as elevated levels of spending have continued into mid-May. Although we cannot know what usage reverts to post-lockdown, there are a number of secular drivers yet to fully unfold. These include margin-rich full game downloads while Sony and Microsoft are due to launch new consoles for the first time since 2013. Streaming gaming may not yet be ready for primetime (evidenced by a mixed start for Alphabet's *Stadia*) but may prove a hidden beneficiary of WFH-related investments in broadband and home networking given that user experience is beholden to the stability and speed of one's internet connection. In time, streaming could dramatically increase the addressable market for publishers by opening-up AAA titles to more than 2.5bn mobile gamers.

Although esports and virtual reality (VR) have long represented incremental medium-term opportunities, COVID-19 and the shuttering of live sport and entertainment represents a unique 'break-out' opportunity for both technologies. Unlike conventional sport, **esports** have continued largely uninterrupted, helping Twitch grow its audience by an estimated third in March alone. It has also seen a blurring of real world and esports; this year the Grand National was digitally simulated and watched by almost 5m viewers while Formula 1 has hosted virtual Grand Prix (GP) in lieu of scheduled events. More interesting still are crossover events that have pitted virtual racers against real-life ones. This blurring is most evident at Fortnite which recently hosted a Travis Scott concert within a violence-free map called 'Party Royale' viewed by 12.3m concurrent players and screened a preview of Christopher Nolan's upcoming movie *Tenet*. Both events demonstrate that 'online games can be places too', particularly with stadiums and cinemas closed. For **VR**, the COVID-related opportunity could not be coming at a better time with current headsets finally beginning to deliver on the promise that led Facebook to acquire Oculus for $2.3bn in 2014.

With only 5.5m units sold in 2019 (flat y/y) it is easy to understand why early euphoria has been replaced with healthy scepticism. However, VR may be on the cusp of a second coming. In April, almost a million new people registered with SteamVR following the release of Half-Life: Alyx, a VR AAA first-person shooter in March. Game reviews have been outstanding with motion-sickness and fatigue associated with VR seemingly absent. Facebook's VR business has also exploded higher in Q1 with non-advertising revenue 'driven largely by sales of Oculus products' increasing c.80% y/y. Rumours that Apple plans to roll out its own VR headset in 2021 or 2022 were followed by news in May that it had acquired NextVR, a live event broadcasting platform. In our opinion, VR represents a way for live entertainment to reach an audience while physical venues remain shut, or severely restricted. However, as Fortnite has demonstrated, in time these virtual audiences could dwarf anything that the real-world might deliver. We currently hold several videogaming plays (Activision, Nintendo, Take-Two, Tencent) while Facebook and small-cap Tobii Technology (maker of eye-tracking systems) provide us with VR exposure.

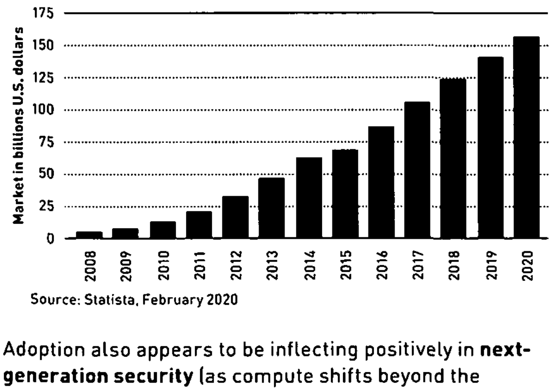
Much has already been written about the so-called **work from home** (WFH) beneficiaries, those companies and technologies without which remote work would have been impossible. While COVID-19 triggered 'the world's biggest work-from-home experiment', the foundations for this 'experiment' were laid during the past decade which has seen remote work increase 400% thanks to the internet, the advent of cloud software and changing attitudes of employers. Before this crisis began, more than one third of US employees worked remotely at least once a week, up from less than 10% in 2010. Just as 9/11 saw companies completely rethink their disaster recovery plans, so COVID-19 is likely to have profound ramifications for patterns of work. These will play out over different timeframes much as deeper changes post 9/11 (such as greater state-level surveillance) continue to reverberate today.

INVESTMENT MANAGER'S REPORT CONTINUED

The most significant WFH winners are likely to prove **cloud software** companies focused on communication and collaboration, epitomised by videoconferencing company Zoom (not held) which has seen its number of daily participants soar from 10m in December to 300m in May. Other platforms have also witnessed dramatic growth including Microsoft Teams with 75m daily active users (+70% m/m in April) and Google Meet which recently reached 100m daily meeting participants. These numbers are remarkable given that there are said to be 1.25bn knowledge workers worldwide. Cloud communications platform Twilio (which allows developers to add voice, video and messaging to their applications) has been another notable beneficiary growing revenues 57% y/y while RingCentral, a leading unified communications vendor increased Q1 sales by 33% y/y. Twilio's success reflects the even more pressing need for companies to engage digitally with their customers with traditional channels closed.

Despite a usage-based model that should have left it exposed to an economic downturn, the company instead beat expectations as new use-cases emerged for its platform. These include **telemedicine**, with Twilio winning the likes of Epic who 'built and scaled its video client at unprecedented speed' to facilitate virtual/remote communication between patients and physicians. With COVID-19 forcing the issue, telemedicine in the US is now expected to grow at a 38% CAGR through 2025. Other areas that have defied expectations thus far include contact centre software where cloud-based solutions have allowed companies to handle massive inbound call volumes despite disruption to their physical call centres.

Software as a Service (SaaS 2008 – 2020E



Source: Statista, February 2020

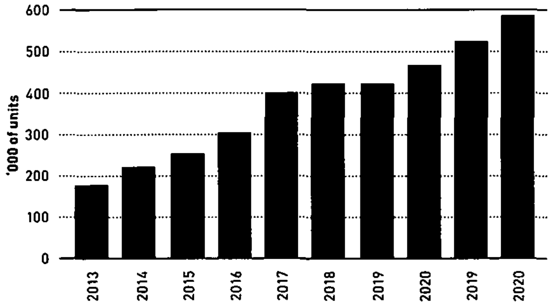
Adoption also appears to be inflecting positively in **next-generation security** (as compute shifts beyond the firewall), critical event communication (enabling companies and countries to communicate with their employees and citizens), and in the use of digital signatures. There are also a number of legacy areas such as VPN and remote access that are enjoying a second wind as some companies revert to well-known technologies able to support the surge in remote workers.

However, these may prove little more than stop-gap solutions should work patterns remain permanently altered by the pandemic, as seems likely. Instead of snapping back to its previous state, the 'unexpected success' of WFH has shown people can work remotely and remain productive. Employees appear to have 'enjoyed' the experience too, no longer having to commute, saving time (59 minutes per day on average in the UK) and money while helping the environment. A recent Gartner survey revealed that nearly three-quarters of CFOs plan to shift at least 5% of previously on-site employees to permanently remote positions post-COVID-19. However, this belies significantly greater change within a segment of the market with nearly a quarter of respondents expecting to move at least 20%. Several US technology companies have gone further still with Mark Zuckerberg predicting that 50% of Facebook employees could be working remotely within the next 5–10 years while Twitter has announced that anyone not required to be physically present in an office would be able to work from home permanently.

While the future of work is **unlikely to follow a model set by Twitter, it may borrow heavily from technology companies.** A wholesale move to the cloud will be required to support next-generation applications and significantly more remote workers with next-generation content delivery networks (CDNs) such as Cloudflare helping to accelerate and secure the additional Internet traffic. Security will move increasingly beyond the corporate firewall. Collaboration tools from the likes of Atlassian – commonly used by software developers – are likely to become more widely deployed in order to coordinate work across teams separated by distance and time-zones. **Business processes will be streamlined and increasingly automated**, helping the likes of ServiceNow. Remote workers will need access to fast broadband at home, just as commuters require cars or access to public transport. **However, the critical role played by software in facilitating remote work has not gone unnoticed with high growth SaaS** valuations currently trading at **c.20x** forward sales. While we remain structurally overweight, software is unlikely to prove immune to a downturn. As such we have pared our exposure into strength in favour of cheaper 'new normal' alternatives.

One of these appears to be **robotics** and the broader industrial automation (IA) space. After a difficult 2019 that saw the global industrial robotics market shrink by 6.1% y/y there are a number of potential drivers that could reinvigorate growth. Near-term, the shift toward e-commerce and omni-channel retail should continue to support demand for automated warehouses. Likewise, the need to restart work while complying with social distancing may prove a boon for machine vision, collaborative robots and automated guided vehicles. In addition, supply chains are being rethought as a result of the pandemic with the PPE debacle and trade-war concerns likely to drive further reshoring well after COVID-19. This will require more IA in order to ameliorate the impact of higher labour costs.

Annual installations of industrial robots 2013–2018 and 2019*–2022*



Source: World Robotics 2019 *forecast

We are also intrigued by the role that thermal cameras (able to track people's temperature from a distance) will play in restarting the economy. Not just in warehouses where Amazon has been an early adopter, but also in offices, shops, stadiums, hotels and airports where they may be linked with access control systems. Not only are current trends encouraging – some factory automation companies have seen demand increase 30% y/y – but history suggests that recessionary periods tend to speed up the process of labour automation. We have added a number of new positions including Fanuc, FLIR Systems, Teradyne and Yaskawa Electric to long-held favourites – Cognex, Fuji Corp, Harmonic Drive and Keyence.

Like robotics, the **semiconductor** sector should continue to benefit from a number of secular tailwinds as well as a recovery in the global economy. We are particularly excited about AI-infused growth in data processing power. To date, the prohibitive cost of data processing has resulted in only 1% of data created by human beings being analysed. However, machine learning (ML) is significantly lowering the cost of analysing unstructured data such that Gartner expects computational resources used in AI to increase 5x from 2018 to 2023. We have exposure to this rare multi-year structural growth story via NVIDIA, Samsung, TSMC and Xilinx. **5G** represents another key driver, and in our minds the next frontier for the semiconductor industry as the enabler of new applications based on machine-to-machine and machine-to-human communication. Ultra-low latency intrinsic to 5G will enable the proliferation of the Internet of Things (IoT), dramatically challenging the convention of how data is created, stored and analysed. Gartner believes that 5G represents a $30bn incremental revenue opportunity for the semiconductor industry between 2019–23 which we hope to access via our positions in Advantest, Hirose, Mediatek, Xilinx and Qualcomm.

We also continue to favour companies that benefit from *Moore's Stress* such as AMD which has continued to take market share from Intel in the all-important server market. We also like its foundry partner TSMC and the lead it now enjoys over Intel in leading-edge geometries. Semiconductor production equipment (SPE) vendors are likely to continue to benefit from rising capital intensity associated with Moore's Stress too. However, SPE fundamentals are likely to more closely track the bifurcation of the global semiconductor supply chain which began in earnest last year. China's semiconductor ambitions were made clear in 2015 when it launched *Made in China* 2025 long before trade tensions began. Designed to achieve self-sufficiency for its domestic semiconductor industry, the end of Moore's Law presented China with the opportunity to narrow the technology gap. However, escalating technology rivalry has become a fault-line in US-Sino relations and last year, led to the Trump administration placing Huawei and other Chinese technologies companies on the Entity List. COVID-19 has rekindled the issue, with the US now requiring foreign chipmakers using US capital equipment to get a licence in order to sell to Huawei, and TSMC – presumably avoiding having to 'choose sides' – announcing it would build a $12bn leading-edge fab in Arizona.

We expect worst case scenarios to be avoided, with both the US and China instead creating their own distinct supply chains. However, in time this may set the scene for a 'technological cold war' just as British and German rearmament was a prerequisite for WWII. For now, Huawei is likely stockpiling chips like it did in 2019 contributing to heightened inventory levels which, at the end of the first-quarter, equalled 60 days – a ten-year record for Q1. While the creation of twin supply chains is likely boosting overall demand today, it poses significant medium-term risks to some of the structural improvements made by the industry including the lower revenues and EPS declines in downturns driven by supply consolidation and pricing discipline. We are also mindful of the challenging macroeconomic backdrop and the maturity of a number of key end markets leaving us underweight the subsector.

The most important of these is **smartphones** which last year accounted for c.1/4 of the overall semiconductor market. In 2019, smartphone units declined 2% y/y as a stronger than expected iPhone 11 cycle was insufficient to offset longer replacement cycles and greater sales of refurbished devices. Trade-war uncertainty (particularly the US ban on Huawei) and a pause ahead of 5G handsets due in 2020 played a part too. However, moribund fundamentals were shrugged off by investors as focus shifted to 5G and the potential for an 'overdue' upgrade cycle. Unfortunately, early expectations for +3% unit growth in 2020 have been revised sharply lower with units now expected to decline by as much as 23% this year. However, replacement cycles look set to extend further to 45 months which could set up 2021 as a strong recovery year. Much depends on the 5G timeline and how much resonance the devices have. Current expectations are for c.210m units this year, rising to 1.15bn by 2024, although disappointing sales of the flagship 5G Samsung Galaxy S20 do not auger well. Industry maturation leaves us underweight smartphones with most of our exposure explained by Apple and Samsung who between them are believed to capture nearly 100% of industry profits.

INVESTMENT MANAGER'S REPORT CONTINUED

Apple remains one of the most remarkable companies we have ever encountered, a view reinforced last year as the company managed to add $557bn to its market capitalisation despite smartphone units declining y/y for the first time. This reflected ongoing success in reducing its sensitivity to iPhone sales similar to the experience of Microsoft which years ago changed how it licensed its software to sever the link with new PC sales. While stock gains were driven by a re-rating, it was accompanied by revenues that have become more recurring in nature. Not just in terms of 'services' (which continued to grow nicely) but in the form of an estimated 60m AirPods that shipped during the year (+100% y/y). This reminded investors of Apple's ability to create (and dominate) new product categories to sell to its adoring, mass-affluent audience with regularity. The Apple ecosystem was alive and well running into a 5G iPhone upgrade cycle.

Unfortunately, supply chain disruption presaged Apple's second profit-warning in as many years which morphed into a demand issue as the coronavirus crisis deepened. However, the company was still able to grow revenues last quarter (+0.5% y/y) despite iPhone sales declining by 7%, driven by further AirPods strength and services that increased +17% y/y. While COVID-19 has seen Apple stop providing guidance, it has continued to return capital to its shareholders via dividends and share buybacks unlike many others, reflecting its unusually strong balance sheet and ability to generate cash. Over the past five years, the company has returned more than $300bn while reducing its share count by c.20%. Although we have some reservations about the size and age of the iPhone installed base (due to a large portion of devices being second-hand or hand-me-down) we are positive about the upcoming 5G cycle, even if mass production is delayed modestly. We are also excited about Apple's positioning in areas where trust is critical such as e-health and payments where Apple Pay already accounts for 4–5% of global card transactions, as well as optionality associated with emerging technologies such as VR and AR. However, Apple's medium-term growth rate is likely to trail our portfolio average, while its disproportionate China exposure represents a significant risk should relations between the US and China sour over trade, COVID-19 or the status of Hong Kong. As such, we expect to maintain our large, but underweight Apple position.

In the years ahead, we expect **Artificial Intelligence** (AI) to increasingly take on the baton from the cloud and smartphone, driving innovation and disruption across myriad industries. As such, AI remains highly strategic, evidenced by another record year for M&A and fund-raising with 231 AI-related deals consummated while 2,235 transactions raised $26.6bn for AI start-ups. AI continues to advance at an astonishing pace with a major milestone reached in natural language understanding (NLU) when a model from the Google AI Brain team achieved 'superhuman' performance in June 2019. Since then, other teams from the likes of Baidu, Alibaba, Microsoft and Facebook have done the same. In natural language processing (NLP), Microsoft has been working on a transformer-based generative language model (T-NLG) aiming to let machines generate words to complete unfinished sentences based on context, respond to a question with direct answers and summarise an article precisely like humans. In order to achieve this, its model features 17bn parameters to learn from essentially all of the text published on the internet, compared to c.26m used in a typical image recognition model.

Requiring extremely low latency during the inference process given the response gap in natural conversation is only 200ms, Microsoft's model has already surpassed human performance, achieving 98% grammatical correctness and 96% factual correctness. The implications are profound; today, the relative scarcity and cost of collecting data required to train machines is preventing wider adoption of real-time analytics. However, transformer-based models have the potential to transform myriad industries (and redistribute their profit pools).

Significant progress has also been made using AI to solve complex games building on DeepMind's AlphaGo victory over Lee Sodol in 2016. In the field of poker, *Plurius* an AI engine designed by Carnegie Mellon and Facebook beat 12 professional players over more than 10,000 hands. By playing millions of hands of poker against copies of itself, Plurius was able to use a limit look-ahead algorithm, rather than playing to the end through decision trees. This allowed it to 'solve' for poker in just eight days using a single 64-core server and just 28 cores during live play – remarkable when one considers that DeepMind's AlphaGo victory used 1920 CPUs and 280 GPUs. In October, Google-owned DeepMind's StarCraft 2 AI reached grandmaster status in the real-time strategy game, besting 99.8% of humans. It was trained by watching videos of professionals, then from simulated game play against itself over 44 days, equivalent to 200 human years playing the game.

More recently, NVIDIA has used a generative adversarial network (GAN) to recreate PAC-MAN without an underlying game engine. Rather than relying on actual gameplay, two competing neural networks instead created 50,000 episodes of content 'convincing enough to pass for the original' allowing the AI to learn the rules of the game.

However, there is still much work to do. In the case of PAC-MAN, the neutral networks were so good at playing the game that they trained themselves incorrectly with ghosts closely trailing, rather than making contact with the titular protagonist. More worryingly, GANs have been exploited to create 'deepfakes' seen on social media where faces have been transposed or voices transformed to give the impression that someone did or said something they did not. Last year, Nancy Pelosi was the target of a deepfake with her speech appearing slow and slurred in a video shown on Facebook leading Rudy Guiliani to question her mental state. This issue is so serious that several US states have passed laws banning the use of deepfakes to interfere with elections. Likewise, persistent privacy concerns have led to lawmakers in San Francisco outlawing the use of facial recognition technologies. The industry will also have to address the lack of traceability (i.e. which factors have played key roles) making it difficult to justify outcomes and apply specific AI algorithms to different datasets. Despite these challenges, we are comforted by the fact that controversy often accompanies rapid diffusion of new technologies and that in time, appropriate governance will be established to facilitate the rapid and healthy development of AI, one of most powerful technologies in decades.

The current crisis has shown the modern world is built on technology. Trends we have witnessed and written about for many years have accelerated during the crisis, and many will remain at structurally higher levels once the crisis recedes. The self-induced nature of the downturn together with unprecedented fiscal stimulus that in the UK has seen 8.4m jobs furloughed has frustrated the 2008/9 'playbook' and leaves us hopeful that recovery may positively surprise us too. Our process and experienced team of nine dedicated investment professionals (including two new additions during the past year) remain well-positioned to assess and invest in this ongoing structural change, and we look forward to many more years of growth for the technology sector.

Ben Rogoff & Team
13 July 2020

INVESTMENT MANAGER'S APPROACH TO ESG

ESG ISSUES

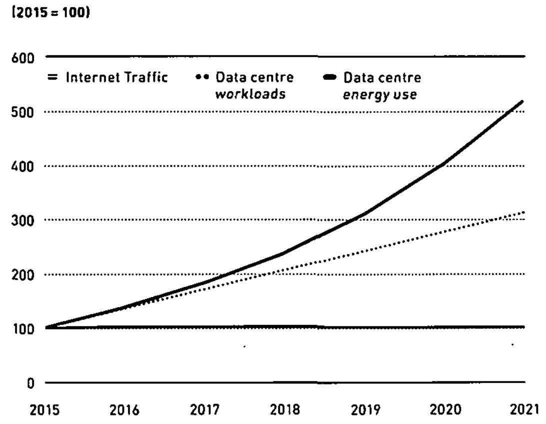
Environmental, social and governance issues have become more prominent in the technology sector in recent years. Technology has reshaped society and the economy, and the speed and scale of that change has brought great friction. Overall, we feel that while the sector may have contributed to many environmental, social and governance problems, it also has the singular capacity to alleviate many of them. Banks are unlikely to improve financial inclusion. Hospitals themselves are not going to build scalable telehealth products. Oil and gas companies are not going to solve climate change. This is not to diminish any of their efforts, but simply to point out that the technology sector is best positioned to provide the innovation at scale required to meet such existential challenges.

Taking climate change as a pressing example, The International Energy Agency's 2040 'Sustainable Development Scenario' suggests that ~80% of the reduction in cumulative CO_2 emissions will come from greater energy efficiency (~44%) and greater use of renewables (~36%).The performance of renewables and energy efficiency improvements are driven by technological advances at the semiconductor and software levels. This can range from Silicon Carbide chips to improve the efficiency of the power electronics in electric vehicles to powerful computer-aided design (CAD) software to make better products with less material. When aluminum beverage cans were introduced 60 years ago they weighed about 60 grams; today they weigh about 13 grams. The Met Office will create an enormous 'digital twin' of the atmosphere and be able to forecast climate change with far greater accuracy and granularity.

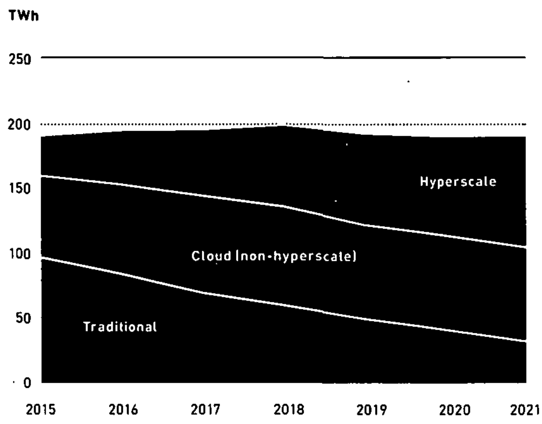
E: THE **ENVIRONMENTAL** IMPACT OF THE TECHNOLOGY SECTOR

In spite of a trillion-fold improvement in the energy efficiency of computation since 1946, datacentres and data transmission networks already consume ~2% of the world's energy or ~360TWh per year – about the same as the global aviation industry. Perhaps surprisingly, the absolute energy draw of datacentres has remained flat over the past 5 years even as workloads have tripled and traffic has quintupled.

This is because computation has shifted from traditional corporate datacentres to more energy-efficient 'hyperscale' cloud datacentres run by Amazon, Microsoft and Google. Hyperscale cloud operators can run dramatically more efficiently than on-premise due to higher server utilisation and more energy-efficient infrastructure. A case study from Berkeley suggested that moving common software applications to the cloud could reduce energy usage by 87%.



Source: IEA (2019), Tracking Buildings 2019, IEA, Paris https://www.iea.org/reports/tracking-buildings-2019



Source: IEA (2019), Tracking Buildings 2019, IEA, Paris https://www.iea.org/reports/tracking-buildings-2019

DEMATERIALISATION

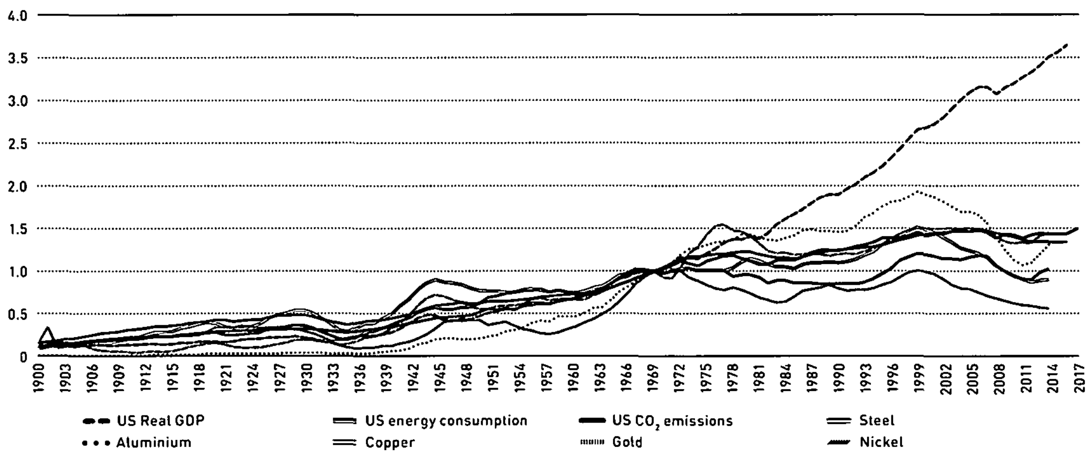
As human society industrialised, the economy's demand for natural resources of all kinds rose in lockstep with economic growth. This voracious growth may have liberated most of mankind from a subsistence-style existence, but it came at a huge environmental cost; technology and capitalism provided tools that destroyed the planet.

But this is not the whole story. The nature of economic growth has changed. Until about 1970 resource use and real GDP moved in lockstep as the economy grew. A larger economy consumed more resources. The first Earth Day festival in 1970 marked the peak of this trend as fears of overpopulation and a new Malthusian crisis appeared imminent to some. How could the planet provide enough resources to support this growth? It was, in hindsight, at this point the US economy began to change in nature. The economy continued to grow, but the amount of physical materials it consumed to support that growth began to decline.

A detailed study of 100 commodities in the US from 1900 to 2000 showed that '36 have peaked in absolute use... another 53 have peaked relative to the size of the economy'. In the chart above, we can see how the usage of a wide range of materials and energy grew with real GDP through until 1970 (all data indexed to 1970 = 1.0). Then, the correlation broke down quite abruptly during the 1970s, as the economy continued to grow, but the resources used to support that growth did not. A similar phenomenon has been documented in the UK.

This phenomenon was itself driven by a process of dematerialisation, whereby technology made physical things digital (movies, music, correspondence etc.), and better design software and more advanced materials meant physical goods could be made with less physical 'stuff'. The smartphone is perhaps the ultimate example of this process of dematerialisation: a telephone, camera, computer, camcorder, Filofax, newspaper, Walkman, calculator, answering machine, clock, photo album, CD collection, stopwatch, notebook – all in one small package. The iPhone uses vastly less metal, plastic, glass and silicon than the products and processes it has replaced.

US GDP, Energy Consumption, CO_2 Emissions and Metals Usage (1970 = 1.0)

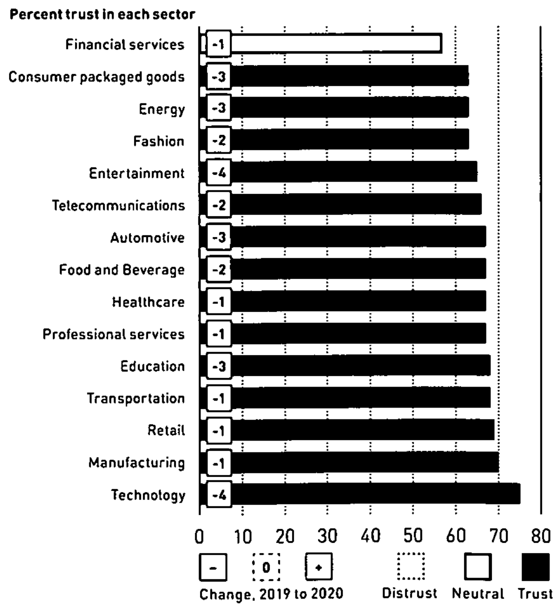


INVESTMENT MANAGER'S APPROACH TO ESG CONTINUED

S: THE **SOCIAL** IMPACT OF THE TECHNOLOGY SECTOR

The 'social impact of technology on the world' is too broad to cover fully in this report. As with technology's environmental impact, we see a complex picture of harmful and supportive forces. Electronic learning and 'fake news' are two strands in the same thread: the democratisation of both the production and consumption of information. We have online bullying and online support groups. There are YouTube videos to show how to fix a car and how to make a bomb. Technology companies have rightly come under immense pressure to demonstrate they are working to keep their platforms as clear as possible of factually untrue or potentially harmful information and we have engaged with company representatives to understand how they are doing this. One trend is becoming clearer: the apparatus of government and evolution of social attitudes have struggled – or even failed – to keep pace with technological change. 61% of respondents in a recent survey agreed with the statement that 'Government does not understand emerging technologies enough to regulate them effectively', and fully 74% agreed that 'CEOs should take the lead on change rather than waiting for government to impose it'.

We consider 'Social' factors in our investment decision-making process insofar as they are likely to impact a company's long-term prospects. This can include considering the tradeoffs required for a new technology to move up (or fail to move up) an adoption curve as soon we expect. For example, the growth and profitability of online advertising relies on users giving up some privacy if ads served to them are to become more effective over time. It is sometimes overlooked that both behaviour and survey data suggests that the 'silent majority' of internet users are fairly relaxed about this tradeoff, and that trust in the technology sector remains the highest of any sector.



Source: Edelman Trust Barometer 2020

G: **GOVERNANCE** ISSUES IN THE TECHNOLOGY SECTOR

We have always considered governance as part of our investment approach and have voted against board resolutions on many occasions, especially in Asia where governance tends to be weakest. We provide both formal and informal advice where we feel it is appropriate and on occasion have written formally to the boards of our holdings. We are actively engaged around executive pay and the use of stock option awards is something we discuss in many of our company meetings. This is an area we are very focused on given the financial – as well as moral – impact associated with stock issuance as some company management teams enrich themselves excessively at the expense of investors via excessive equity dilution.

OUR ESG APPROACH

We have recently introduced a new ESG analysis/scoring framework across Polar Capital which ranks each of our holdings (AAA to CCC) on each factor relative to similar technology companies enabling us to better challenge the underperformers and/or make more informed decisions. This report is included and treated as part of our monthly risk reporting process, and changes in a company's ESG rating will be investigated by the analyst responsible for it.

Whilst our investment process is not driven by ESG our aim is to improve the behaviour of our companies and avoid the worst offenders (any highlighted CCC in ESG scoring must be challenged on the areas of most concern). Longer term we believe this also benefits performance because companies which disregard ESG factors are often not good investments as either public opinion or regulation eventually catches up with them.

At a firm level we exclude all companies that are linked to the production and/or marketing of controversial weapons (cluster munitions, antipersonnel mines, depleted uranium etc.). We also exclude EU and UN Sanctioned entities and entities on the US OFAC list.

Alastair Unwin

13 July 2020

PORTFOLIO REVIEW

PERFORMANCE ATTRIBUTION

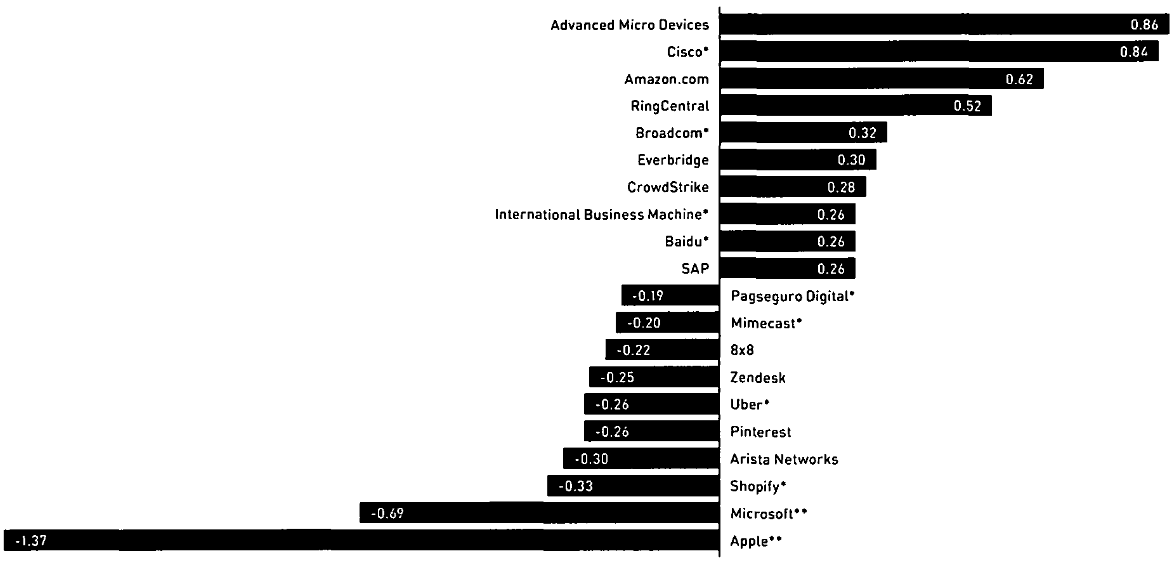
MOVEMENT IN NET ASSET VALUE (TOTAL RETURN) PER SHARE

Over the year to 30 April 2020 the Net Asset Value per share rose by 18.6% compared to the total return provided by the Benchmark of 18.1%.

	%	%	Pence per share
NAV per share at 30 April 2019			1446.40
Benchmark total return		18.1	
Investment Manager's Added Contribution			
Stock allocation effect	2.6		
Stock trading and timing effect	-0.1	2.5	
Other factors			
Liquidity/gearing effect	-1.0		
Ongoing charges including performance fee	-1.0	-2.0	
Performance of NAV		18.6	269.19
NAV per share at 30 April 2020			1715.59

PERFORMANCE ATTRIBUTION BY INVESTMENT

The top ten relative contributors and the bottom ten relative detractors from performance over the year to 30 April 2020.

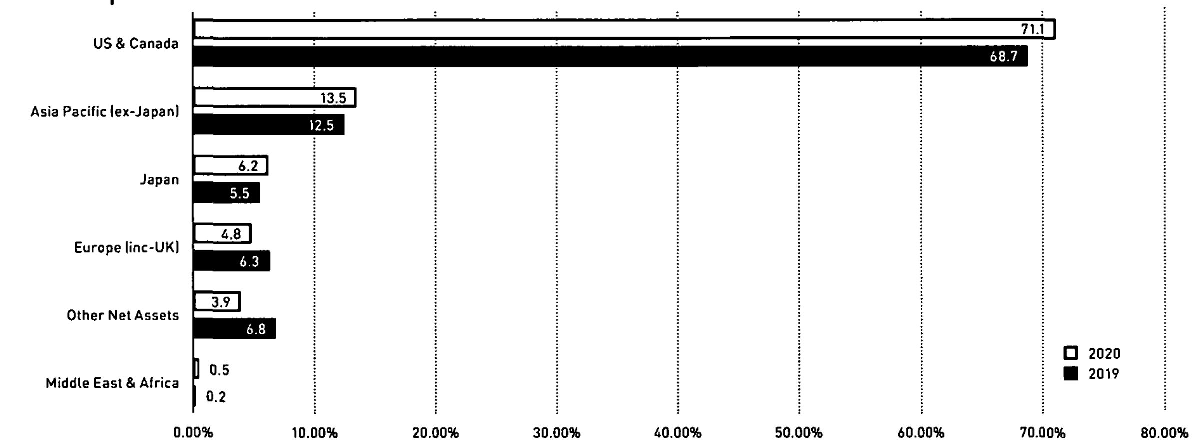


All of the above companies were held during the year to 30 April 2020. All data sourced from Polar Capital LLP.

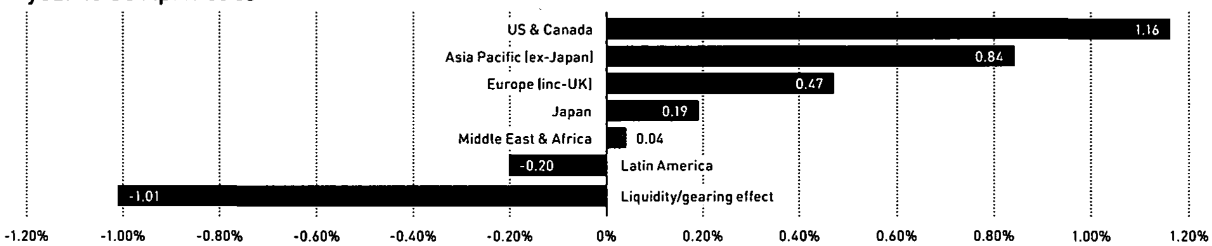
*not held at the year ended 30 April 2020/**underweight position relative to the Benchmark.

PORTFOLIO REVIEW CONTINUED

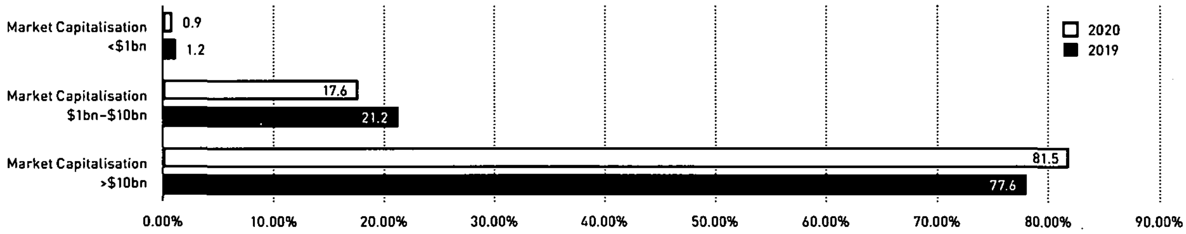
BREAKDOWN OF INVESTMENTS BY REGION
as at 30 April 2020



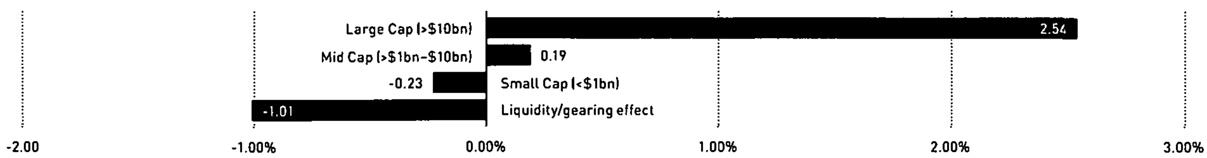
PERFORMANCE ATTRIBUTION BY REGION*
year to 30 April 2020



MARKET CAPITALISATION OF UNDERLYING INVESTMENTS
as at 30 April 2020



PERFORMANCE ATTRIBUTION BY MARKET CAPITALISATION*
over the year to 30 April 2020



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

CLASSIFICATION OF INVESTMENTS*
as at 30 April 2020

	North America %	Europe %	Asia Pacific (inc. Middle East) %	Total 30 April 2020 %	Total 30 April 2019 %	Benchmark Weightings as at 30 April 2020 %
Software	24.2	0.4	0.3	24.9	27.7	28.4
Semiconductors & Semiconductor Equipment	10.5	2.3	5.1	17.9	15.9	18.8
Interactive Media & Services	12.8	0.2	3.2	16.2	16.9	18.7
Technology Hardware, Storage & Peripherals	7.3	0.1	2.7	10.1	7.9	17.8
Internet & Direct Marketing Retail	3.8	1.0	4.1	8.9	6.9	4.1
Electronic Equipment, Instruments & Components	2.1	-	2.8	4.9	3.8	0.6
IT Services	4.5	-	0.1	4.6	5.6	6.5
Entertainment	2.4	0.6	0.6	3.6	2.3	0.6
Communications Equipment	1.9	-	-	1.9	1.5	3.4
Machinery	0.1	-	1.3	1.4	1.0	-
Aerospace & Defense	0.6	-	-	0.6	0.7	-
Healthcare Equipment & Supplies	0.3	-	-	0.3	0.9	-
Leisure Products	0.3	-	-	0.3	-	-
Diversified Telecommunication Services	0.3	-	-	0.3	-	0.3
Electrical Equipment	-	0.2	-	0.2	-	-
Healthcare Technology	-	-	-	-	0.8	0.6
Diversified Consumer Services	-	-	-	-	0.5	-
Life Sciences Tools & Services	-	-	-	-	0.4	-
Auto Components	-	-	-	-	0.2	-
Road & Rail	-	-	-	-	0.2	-
Total investments (£2,218,307,000)	71.1	4.8	20.2	96.1	93.2	
Other net assets (excluding loans)	3.4	1.1	1.9	6.4	9.6	
Loans	(0.8)	-	(1.7)	(2.5)	(2.8)	
Grand total (net assets of £2,308,597,000)	73.7	5.9	20.4	100.0	-	
At 30 April 2019 (net assets of £1,935,646,000)	74.7	6.4	18.9	-	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.

BENCHMARK

The Company uses the Dow Jones World Technology Index (total return, in Sterling with the removal of relevant withholding taxes), ('the Benchmark') as the benchmark against which net asset value performance is measured for the purpose of assessing performance fees.

As at 30 April 2020 the Dow Jones World Technology Index was calculated as a market capitalisation based index of 691 technology companies worldwide. 73.7% of the index weighting is in North America, 6.3% in Europe and 16.9% in Asia Pacific (ex-Japan). By market capitalisation 90.9% is represented by large companies, 8.5% by mid-caps and 0.6% by smaller companies.

Shareholders should be aware that the Company's portfolio is actively managed and is not designed to closely track any particular benchmark, index or market. Given the dynamic nature of technology markets and the rapid changes in share prices of technology shares favoured by the Investment Manager, the performance of the portfolio can vary from the Benchmark performance, at times considerably.

Although the Company has a benchmark, this is neither a target nor an ideal investment strategy. The purpose of the Benchmark is to set a reasonable return for Shareholders above which the Investment Manager is entitled to a share of the extra performance the Investment Manager has delivered.

PORTFOLIO REVIEW CONTINUED

TOP 10 INVESTMENTS AS AT 30 APRIL 2020

	Ranking		Value of holding (£'000)		% of net assets	
	2020	2019	2020	2019	2020	2019
	1	(1)	**236,529**	170,736	**10.2**	8.8
Held since: 2007	Founded in 1975, the company is the largest software company in the world and has built a dominant franchise in desktop software through its ubiquitous Windows operating system, Office productivity software and Azure Cloud computing service.					
	2	(2)	**181,039**	149,210	**7.8**	7.7
Held since: 2005	As the parent company of Google, the company is the dominant provider of Internet search, online advertising, web applications and tools and its Android (mobile OS) combined with Chrome (browser) and Google Maps have enabled it to maintain its market leadership during the mobile internet transition.					
	3	(4)	**168,615**	85,862	**7.3**	4.4
Held since: 2003	Apple is a leading supplier of personal computers, smartphones, tablets and accessories such as AirPods that feature or integrate with the company's proprietary OS X operating system. Other services include AppleTV, Apple Music and its subscription-based iCloud storage.					
	4	(3)	**95,587**	91,458	**4.1**	4.7
Held since: 2012 (IPO)	With over 2.6bn active monthly users, Facebook is the world's dominant social networking company. It also owns Instagram, a photo and video sharing social networking service and the instant messaging service WhatsApp.					
	5	(5)	**87,073**	64,772	**3.8**	3.3
Held since: 2014 (IPO)	China's pre-eminent e-commerce company which provides consumer-to-consumer (Taobao, Tmall.com), business-to-consumer (AliExpress) and business-to-business (Alibaba.com) sales services via web portals, as well as financial services (Alipay).					
	6	(6)	**74,327**	55,788	**3.2**	2.9
Held since: 2009	Offering a suite of online services – primarily entertainment and communication related, Tencent provides leading Internet platforms in China which include QQ (QQ Instant Messenger) and WeChat.					
	7	(7)	**71,522**	54,350	**3.1**	2.8
Held since: 2009	Amazon is a multinational technology company that focuses on e-commerce, Cloud computing, digital streaming and artificial intelligence.					
	8	(8)	**62,654**	52,421	**2.7**	2.7
Held since: 2007	A manufacturer of a very wide array of products ranging from components to finished products for both consumer electronics and industrial end markets. The company is particularly renowned for its high global market share in the fields of memory semiconductors (NAND/DRAM), LCD displays, and mobile smartphones/tablets.					
	9	(13)	**50,291**	28,936	**2.2**	1.5
Held since: 2016	Advanced Micro Devices (known as 'AMD') is a California-based semiconductor company that develops compute and graphics processors for servers, desktop and notebook computers. Having struggled to compete with Intel for much of its existence, AMD is beginning to win back market share aided by the success of its manufacturing partner TSMC.					
	10	(30)	**49,804**	15,165	**2.2**	0.8
Held since: 2016	NVIDIA is a US fabless semiconductor company with leading market share in graphics processors (GPUs) used in gaming, professional visualisation, data centre and automotive. Supported by its CUDA programming model, the company's GPUs are critical components in Artificial Intelligence (AI) platforms helping to train neural networks.					
Total			**1,077,441**		**46.6**	

FULL PORTFOLIO

Ranking					Value of holding		% of net assets	
2020	2019	Stock	Sector	Region	30 April 2020 £'000	30 April 2019 £'000	30 April 2020 %	30 April 2019 %
1	(1)	Microsoft	Software	North America	236,529	170,736	10.2	8.8
2	(2)	Alphabet	Interactive Media & Services	North America	181,039	149,210	7.8	7.7
3	(4)	Apple	Technology Hardware, Storage & Peripherals	North America	168,615	85,862	7.3	4.4
4	(3)	Facebook	Interactive Media & Services	North America	95,587	91,458	4.1	4.7
5	(5)	Alibaba	Internet & Direct Marketing Retail	Asia Pacific	87,073	64,772	3.8	3.3
6	(6)	Tencent	Interactive Media & Services	Asia Pacific	74,327	55,788	3.2	2.9
7	(7)	Amazon.com	Internet & Direct Marketing Retail	North America	71,522	54,350	3.1	2.8
8	(8)	Samsung Electronics	Technology Hardware, Storage & Peripherals	Asia Pacific	62,654	52,421	2.7	2.7
9	(13)	Advanced Micro Devices	Semiconductors & Semiconductor Equipment	North America	50,291	28,936	2.2	1.5
10	(30)	Nvidia	Semiconductors & Semiconductor Equipment	North America	49,804	15,165	2.2	0.8
Top 10 investments					1,077,441		46.6	
11	(9)	Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Asia Pacific	43,321	42,654	1.9	2.2
12	(12)	Salesforce.com	Software	North America	42,538	29,987	1.8	1.6
13	(50)	Intel	Semiconductors & Semiconductor Equipment	North America	40,165	9,920	1.7	0.5
14	(17)	ASML	Semiconductors & Semiconductor Equipment	Europe	34,081	22,787	1.5	1.2
15	(10)	ServiceNow	Software	North America	32,541	37,452	1.4	2.0
16	(14)	PayPal	IT Services	North America	31,514	28,133	1.4	1.5
17	(11)	Adobe	Software	North America	30,095	37,303	1.3	1.9
18	(19)	Toyko Electron	Semiconductors & Semiconductor Equipment	Asia Pacific	24,102	20,269	1.0	1.0
19	(-)	MediaTek	Semiconductors & Semiconductor Equipment	Asia Pacific	22,416	-	1.0	-
20	(73)	Cognex	Electronic Equipment, Instruments & Components	North America	21,884	6,828	1.0	0.4
Top 20 investments					1,400,098		60.6	
21	(16)	Texas Instruments	Semiconductors & Semiconductor Equipment	North America	21,360	23,814	1.0	1.2
22	(-)	Activision Blizzard	Entertainment	North America	21,302	-	0.9	-
23	(25)	Visa	IT Services	North America	21,042	16,460	0.9	0.9
24	(89)	Netflix	Entertainment	North America	20,307	4,830	0.9	0.2
25	(28)	Qualcomm	Semiconductors & Semiconductor Equipment	North America	19,374	15,645	0.8	0.8
26	(65)	Splunk	Software	North America	19,124	7,434	0.8	0.4
27	(58)	Lumentum	Communications Equipment	North America	19,108	8,755	0.8	0.4
28	(21)	Mastercard	IT Services	North America	18,893	18,298	0.8	0.9
29	(15)	Zendesk	Software	North America	18,759	26,100	0.8	1.3
30	(-)	CrowdStrike	Software	North America	17,895	-	0.8	-
Top 30 investments					1,597,262		69.1	

PORTFOLIO REVIEW CONTINUED

FULL PORTFOLIO CONTINUED

Ranking 2020	Ranking 2019	Stock	Sector	Region	Value of holding 30 April 2020 £'000	Value of holding 30 April 2019 £'000	% of net assets 30 April 2020 %	% of net assets 30 April 2019 %
31	(52)	RingCentral	Software	North America	17,077	9,636	0.7	0.5
32	(-)	Taiyo Yuden	Electronic Equipment, Instruments & Components	Asia Pacific	16,809	-	0.7	-
33	(-)	Cloudflare	Software	North America	16,807	-	0.7	-
34	(36)	Advantest	Semiconductors & Semiconductor Equipment	Asia Pacific	16,273	12,845	0.7	0.7
35	(46)	HubSpot	Software	North America	16,058	10,358	0.7	0.5
36	(54)	Everbridge	Software	North America	15,333	9,369	0.7	0.5
37	(-)	Grubhub	Internet & Direct Marketing Retail	North America	15,149	-	0.7	-
38	(-)	Ciena	Communications Equipment	North America	14,879	-	0.7	-
39	(22)	Xilinx	Semiconductors & Semiconductor Equipment	North America	14,576	17,572	0.6	0.9
40	(82)	Take-Two Interactive Software	Entertainment	North America	14,117	5,813	0.6	0.3
Top 40 investments					1,754,340		75.9	
41	(31)	Axon Enterprise	Aerospace & Defense	North America	13,883	14,774	0.6	0.7
42	(-)	Lattice Semiconductor	Semiconductors & Semiconductor Equipment	North America	13,638	-	0.6	-
43	(40)	Spotify Technology	Entertainment	Europe	13,506	12,633	0.6	0.7
44	(-)	Nintendo	Entertainment	Asia Pacific	12,856	-	0.6	-
45	(-)	FLIR Systems	Electronic Equipment, Instruments & Components	North America	12,743	-	0.6	-
46	(27)	Synopsys	Software	North America	12,574	16,009	0.5	0.8
47	(84)	Ocado	Internet & Direct Marketing Retail	Europe	11,966	5,495	0.5	0.3
48	(77)	Okta	IT Services	North America	11,889	6,268	0.5	0.3
49	(42)	Proofpoint	Software	North America	11,717	11,313	0.5	0.6
50	(78)	TDK	Electronic Equipment, Instruments & Components	Asia Pacific	11,414	6,014	0.5	0.3
Top 50 investments					1,880,526		81.4	
51	(-)	Siltronic	Semiconductors & Semiconductor Equipment	Europe	11,133	-	0.5	-
52	(-)	Fanuc	Machinery	Asia Pacific	11,074	-	0.5	-
53	(-)	Keysight Technologies	Electronic Equipment, Instruments & Components	North America	11,013	-	0.5	-
54	(-)	Power Integrations	Semiconductors & Semiconductor Equipment	North America	10,985	-	0.5	-
55	(-)	Twitter	Interactive Media & Services	North America	10,770	-	0.5	-
56	(64)	Alteryx	Software	North America	10,761	7,562	0.5	0.4
57	(61)	Harmonic Drive Systems	Machinery	Asia Pacific	10,579	8,297	0.4	0.4
58	(57)	Fuji Machine Manufacturing	Machinery	Asia Pacific	10,314	8,835	0.4	0.5
59	(41)	Pinterest	Interactive Media & Services	North America	9,908	12,390	0.4	0.6
60	(66)	Keyence	Electronic Equipment, Instruments & Components	Asia Pacific	9,291	7,425	0.4	0.4
Top 60 investments					1,986,354		86.0	

Ranking					Value of holding		% of net assets	
					30 April 2020	30 April 2019	30 April 2020	30 April 2019
2020	2019	Stock	Sector	Region	£'000	£'000	%	%
61	(-)	Hirose Electric	Electronic Equipment, Instruments & Components	Asia Pacific	9,276	-	0.4	-
62	(-)	SolarEdge Technologies	Semiconductors & Semiconductor Equipment	Asia Pacific	9,252	-	0.4	-
63	(91)	Anaplan	Software	North America	8,738	4,703	0.4	0.2
64	(-)	SAP	Software	Europe	8,672	-	0.4	-
65	(35)	Ansys	Software	North America	8,621	12,928	0.4	0.7
66	(37)	Twilio	IT Services	North America	8,488	12,814	0.4	0.7
67	(-)	Medallia	Software	North America	8,411	-	0.4	-
68	(-)	Dexcom	Healthcare Equipment & Supplies	North America	7,812	-	0.3	-
69	(43)	Aixtron	Semiconductors & Semiconductor Equipment	Europe	7,747	11,200	0.3	0.6
70	(-)	Meituan-Dianping	Internet & Direct Marketing Retail	Asia Pacific	7,540	-	0.3	-
Top 70 investments					2,070,911		89.7	
71	(-)	Cadence Design Systems	Software	North America	7,476	-	0.3	-
72	(-)	Akamai Technologies	IT Services	North America	7,463	-	0.3	-
73	(-)	Applied Materials	Semiconductors & Semiconductor Equipment	North America	7,458	-	0.3	-
74	(-)	Samsung Electro-Mechanics	Electronic Equipment, Instruments & Components	Asia Pacific	6,949	-	0.3	-
75	(-)	Smartsheet	Software	North America	6,727	-	0.3	-
76	(-)	Veeco Instruments	Semiconductors & Semiconductor Equipment	North America	6,565	-	0.3	-
77	(20)	Arista Networks	Communications Equipment	North America	6,549	19,368	0.3	1.0
78	(71)	Shimadzu	Electronic Equipment, Instruments & Components	Asia Pacific	6,492	7,103	0.3	0.4
79	(-)	Bandwidth	Diversified Telecommunication Services	North America	6,438	-	0.3	-
80	(-)	Zalando	Internet & Direct Marketing Retail	Europe	6,410	-	0.3	-
Top 80 investments					2,139,438		92.7	
81	(-)	Dynatrace	Software	North America	6,397	-	0.3	-
82	(-)	Peloton Interactive	Leisure Products	North America	6,351	-	0.3	-
83	(-)	Ping Identity	Software	North America	6,084	-	0.3	-
84	(-)	Just Eat	Internet & Direct Marketing Retail	Europe	5,941	-	0.2	-
85	(45)	8X8	Software	North America	5,886	10,806	0.2	0.6
86	(18)	Analog Devices	Semiconductors & Semiconductor Equipment	North America	5,380	20,943	0.2	1.1
87	(59)	Yaskawa Electric	Electronic Equipment, Instruments & Components	Asia Pacific	4,845	8,725	0.2	0.4
88	(-)	Atlassian	Software	Asia Pacific	4,611	-	0.2	-
89	(69)	Square	IT Services	North America	4,512	7,280	0.2	0.4
90	(-)	Auto Trader	Interactive Media & Services	Europe	4,414	-	0.2	-
Top 90 investments					2,193,859		95.0	

PORTFOLIO REVIEW CONTINUED

FULL PORTFOLIO CONTINUED

Ranking 2020	Ranking 2019	Stock	Sector	Region	Value of holding 30 April 2020 £'000	Value of holding 30 April 2019 £'000	% of net assets 30 April 2020 %	% of net assets 30 April 2019 %
91	(-)	BlackLine	Software	North America	4,120	-	0.2	-
92	(-)	NEL ASA	Electrical Equipment	Europe	3,992	-	0.2	-
93	(94)	Ememory Technology	Semiconductors & Semiconductor Equipment	Asia Pacific	3,022	3,842	0.1	0.2
94	(-)	Protolabs	Machinery	North America	2,975	-	0.1	-
95	(105)	Zuken	IT Services	Asia Pacific	2,746	1,649	0.1	0.1
96	(104)	Tobii	Technology Hardware, Storage & Peripherals	Europe	1,899	1,858	0.1	0.1
97	(98)	Mix Telematics	Software	Asia Pacific	1,846	2,990	0.1	0.2
98	(103)	KVH Industries	Communications Equipment	North America	1,332	1,897	0.1	0.1
99	(-)	Impinj	Semiconductors & Semiconductor Equipment	North America	1,320	-	0.1	-
100	(107)	Seeing Machines	Electronic Equipment, Instruments & Components	Asia Pacific	1,144	1,540	-	0.1
Top 100 investments					2,218,255		96.1	
101	(111)	Herald Ventures Limited Partnership	Other	Europe	52	55	-	-
		Total equities			2,218,307		96.1	
		Other net assets			90,290		3.9	
		Total net assets			2,308,597		100.0	

Note: Asia Pacific includes Middle East.

STRATEGIC REPORT

The Strategic Report section of this Annual Report comprises the Chair's Statement, the Investment Manager's Report, including information on the portfolio, and this Strategic Report. It has been prepared to provide information to Shareholders on the Company's strategy and the potential for such to succeed, including a fair review of the Company's performance during the year ended 30 April 2020, the position of the Company at the year end and a description of the principal risks and uncertainties. The Strategic Report section contains certain forward looking statements, made by the Directors in good faith based on the information available to them at the time of their approval of this Report. Such statements should be treated with caution due to inherent uncertainties, including both economic and business risk factors underlying any such forward-looking information.

INTRODUCTION AND BUSINESS MODEL

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 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.

Further information on the operation of the business is set out in the Directors' Report on pages 58 to 60.

Polar Capital LLP also provides company secretarial services and assists with providing general administration including liaison with directly appointed third party suppliers.

INVESTMENT OBJECTIVE AND POLICY

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

Over the last four decades the technology industry has been one of the most vibrant, dynamic and rapidly growing segments of the global economy. Technology companies offer the potential for substantially faster earnings growth than the broader market.

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

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

OBJECTIVE

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

POLICY

At the Annual General Meeting in 2012 the Investment Policy, as detailed below and available on the Company's website, was approved. The Portfolio has been managed in accordance with the Policy in the year to 30 April 2020.

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.

Risk Diversification

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.

STRATEGIC REPORT CONTINUED

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

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

In addition to the restrictions set out above, the Company is subject to Chapter 15 of the FCA's Listing Rules which apply to closed ended investment companies with a premium listing on the Official List of the London Stock Exchange. In order to comply with the current Listing Rules, the Company will not invest more than 10% of its total assets at the time of acquisition in other listed closed ended investment funds, whether managed by the Investment Manager or not. This restriction does not apply to investments in closed ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other listed closed ended investment funds. However, the Company will not in any case invest more than 15% of its total assets in other closed ended investment funds.

Borrowing, Cash and Derivatives

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

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

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

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 of its Investment Policy.

INVESTMENT STRATEGY GUIDELINES AND BOARD LIMITS

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

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

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

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

CASH

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

GEARING

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.

During the year the Company had two, two-year loan facilities with ING Bank NV: One for 23.3m US Dollars at a fixed rate of 4.235% pa and one for 5.2bn Japanese Yen at a fixed rate of 0.8% pa, both of which were drawn down on 2 October 2018. These loans fall due for repayment on 2 October 2020. It is anticipated that the loan facilities will be replaced on expiry. These loans replaced the previously held three year loans which expired on 2 October 2018 and the revolving credit facility which expired on 2 October 2019.

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

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 be proposing the five-yearly continuation vote of the Company at the Annual General Meeting to be held in September 2020; the Board is supportive of the Company continuing in its current form and will be recommending the resolution to Shareholders. 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.

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 and administrative services, including accounting, portfolio valuation and trade settlement which it has arranged to deliver through HSBC Securities Services ('HSS'). HSS have also been appointed as the Company's Custodian and Depository.

The Company also contracts directly with a number of third parties for the provision of regularly required services:

- Stifel Nicolaus Europe Limited as Corporate Broker;
- Equiniti Limited as Registrar;
- KPMG LLP as independent Auditors;
- HSBC Securities Services as Custodian and Depositary;
- Camarco as PR advisors; and
- Emperor as website designers, internet hosting services and designers and printers for Shareholder communications.

REGULATORY ARRANGEMENTS

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 through a primary information provider. Statements from the Depositary and the AIFM can be found on the Company's website.

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

STRATEGIC REPORT CONTINUED

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, these KPIs have not differed from the prior year.

KPI	Control process	Outcome
The provision of investment returns to Shareholders measured by long-term NAV growth and relative performance against the Benchmark.	The Board reviews the performance of the portfolio in detail and hears the views of the Investment Manager at each meeting.	At 30 April 2020 the total net assets of the Company amounted to £2,308,597,000 (2019: £1,935,646,000). The Company's NAV has, over the year to 30 April 2020, outperformed the Benchmark. The NAV per share rose by 18.6% from 1446.40p to 1715.59p while the Benchmark rose 18.1% in Sterling terms over the same period. As at 30 April 2020 the portfolio comprised 101 (2019: 111) investments. Investment performance is explained in the Chair's Statement and the Investment Manager's Report. Over the longer-term, as shown by the historic performance data shown on page 5, growth in the NAV has exceeded the Benchmark.
Monitoring and reacting to issues created by the discount or premium of the ordinary share price to the NAV per ordinary share with the aim of reduced discount volatility for Shareholders.	The Board receives regular information on the composition of the share register including trading patterns and discount/premium levels of the Company's ordinary shares. The Board is aware of the vulnerability of a sector specialist investment trust to a change in investor sentiment to that sector. 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 market liquidity is also considered when authorising the issue or buy back of shares when appropriate market conditions prevail. 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 2020 • Maximum premium over year: 5.3% • Maximum discount over year: 15.9% • Average discount over year: 4.4% The Company has not bought back any shares in the year to 30 April 2020 and, in the same period, has issued 741,000 shares when the issue was NAV enhancing to existing Shareholders. Over the previous five financial years ended 30 April 2020 • Maximum premium over period: 5.3% • Maximum discount over period: 15.9% • Average discount over period: 2.9% Over the previous five financial years ended 30 April 2020 the Company has not bought back any shares and has issued 2,229,841 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 2020 and will continue to be met.

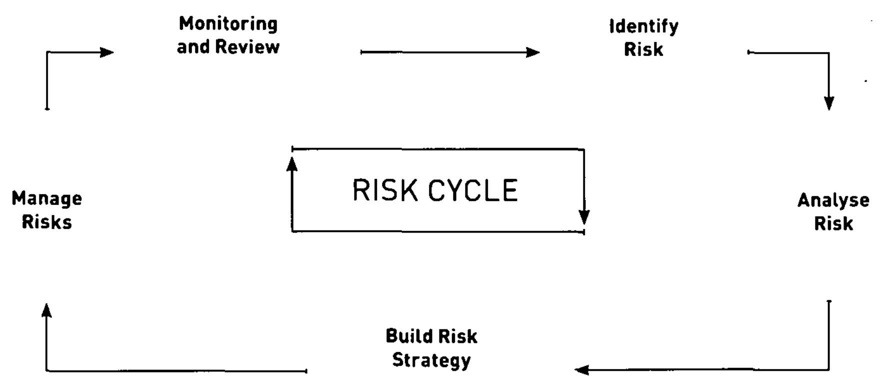
KPI	Control process	Outcome
Efficient operation of the Company with appropriate investment management resources and services from third party suppliers within a stable and risk controlled environment.	The Board considers annually the services provided by the Investment Manager, both investment and administrative, and reviews on a cycle the provision of services from third parties including the costs of their services. The annual operating expenses are reviewed and any non-recurring project related expenditure approved by the Board.	The Board has received and considered satisfactory the internal controls report of the Investment Manager and other key suppliers including contingency arrangements to facilitate the ongoing operations of the Company in the event of withdrawal or failure of services. The ongoing charges of the Company for the year ended 30 April 2020 excluding the performance fee were 0.93% of net assets (2019: 0.95%). The ongoing charges including the performance fee payable in respect of the year ended 30 April 2020 were 0.99% (2019: 1.33%) of net assets.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board is responsible for the management of risks faced by the Company and, through delegation to the Audit Committee, has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Audit Committee carries out, at least annually, a robust assessment of the principal risks and uncertainties with the assistance of the Investment Manager, continually monitors identified risks and meets to discuss both long-term and emerging risks outside of the normal cycle of Audit Committee meetings.

A Risk management process has been established to identify and assess various risks, their likelihood and the possible severity of impact then, considering both internal and external controls and factors that could provide mitigation, a post mitigation risk impact score is determined. The Audit Committee has identified the key risks faced by the Company which are those classified as having the highest risk impact score post mitigation. The key risks are detailed below with a high-level summary of the management through mitigation and status arrows to indicate any change in assessment over the past financial year.

The Audit Committee has also considered the risks posed by COVID-19, which has been considered as a Black Swan event. As discussed in the Chair's Statement and Investment Manager's Report, the ramifications of COVID-19 thus far has not led to a deterioration in the Company's performance, which has remained robust. In the medium to long term when the societal and economic results of COVID-19 materialise, it is expected that the risks that arise from COVID-19 will become clearer and will feature in the Committee's consideration of global geopolitical risk and its potential effect on the risk of failure to achieve the investment objective or performance that is satisfactory to our Shareholders. Further information on how the Committee has considered COVID-19 when assessing its effect on the Company's ability to operate as a going concern and the Company's longer-term viability can be found on pages 48 and 49 of this Strategic Report and on pages 70 and 71 of the Report of the Audit Committee. This also includes the Company's forthcoming continuation vote.



STRATEGIC REPORT CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Principal Risks and Uncertainties	Management of risks through Mitigation & Controls	Change in assessment of the risk over the past financial year
PORTFOLIO		II
Failure to achieve Investment Objective; Breach of lender's covenants or AIFMD limits; and Portfolio management errors including breach of investment policy. Investment mandate falls out of favour and or the Investment Manager is unable to deliver the Investment Objective. Leading to poor performance against the benchmark or other metric, persistent discount in excess of Board or Shareholder acceptable levels, shrinkage of assets or loss of liquidity. Breach of covenants and/or limits may create a forced liquidation of the portfolio to repay debt and result in the inability to renew borrowing facilities. Error or breach may cause regulatory investigation leading to fines, reputational damage and risk to investment trust status. Fundamental risk of investors seeking alternative investments or lower risk strategies.	A detailed annual review of the investment strategy is undertaken by the Investment Manager with the Board including analysis of investment markets and sector trends. Detailed reports containing financial information including gearing and cash balances are provided to each Board meeting and are used to assess portfolio construction and the degree of risk which the Investment Manager incurs to generate investment returns. 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. Investment limits and restrictions are encoded into the dealing and operations systems of the Investment Manager and various oversight functions are undertaken to ensure there is early warning of any potential issue of compliance or regulatory matters. The Board is committed to a clear communication program to ensure Shareholders understand the investment strategy. A resolution is put forward every five years to provide Shareholders with an opportunity to vote on the continuation of the Company. The next continuation resolution will be proposed at the AGM to be held in September 2020. The Chair and Directors meet with Shareholders through various events and bespoke meetings through the year.	
OPERATIONAL RISK		»
Failure in services provided by the Investment Manager, Custodian, Depositary or other service providers; Accounting, Financial or Custody Errors; IT failure and Cyber Risk or 'Black Swan' Event Failure of services resulting in regulatory investigation or financial loss, failure of trade settlement or potential loss of Shareholder assets. Cyber-attack causing disruption to or failure of operational and accounting systems and processes provided by the Investment Manager creating an unexpected event and/or adverse impact on personnel or the portfolio. Material accounting errors or misstatements, including inaccurate fee calculations. Mis-valuation of investments or the loss of assets. Incomplete or inaccurate financial information potentially causing failure to meet investment trust status. Company is unable to recover losses or make-good Shareholder value. Financial loss due to unexpected natural event disrupting the ability to operate.	The Board carries out an annual review of internal control reports from suppliers which includes the Investment Manager's cyber protocols and disaster recovery procedures. The Company has a disaster recovery plan in place along with a Black Swan Committee. Due diligence and service reviews are undertaken with third-party service providers including the Custodian and Depository. The number, severity and success rate of cyber-attacks have increased considerably over recent years, controls are however in place and the Board proactively seeks to keep abreast of developments through a series of meetings with relevant service providers. In light of the COVID-19 pandemic and the lockdown measures introduced by the UK Government, the Audit Committee sought assurance from each of the Company's service providers on the resilience of their business continuity arrangements whilst the majority of their employees worked remotely. These assurances and the subsequent detailed updates that were given to the Committee provided a satisfactory level of assurance that there had not been, and there was no anticipation of any disruption in the ability of each service provider to fulfil their duties as would typically be expected. A full review of the internal control framework is carried out at least annually. Regular reporting is received by the Investment Manager on behalf of the Board from the Depositary on the safe custody of the Company's assets. The Board undertakes independent reviews of the Depositary and external Administrator services and additional resources have been put in place by the Investment Manager. Management accounts are produced and reviewed monthly, statutory reporting and daily NAV calculations are produced by the external Administrator and verified by the Investment Manager. Accounting records are tested, and valuations verified independently as part of the year-end financial reporting process.	

II No change » Increased « Decreased

Principal Risks and Uncertainties	Management of risks through Mitigation & Controls	Change in assessment of the risk over the past financial year
REGULATORY RISK		No change
Breach of Statutes and Regulations including failure to keep up with legislative changes; failure to communicate significant events to Shareholders Failure to comply with the FCA's Listing Rules and Disclosure Guidance and Transparency Rules; not meeting the provisions of s1158/1159 of the Corporation Tax Act 2010, the Companies Act 2006 and other UK, European and overseas legislation affecting UK companies including MiFID II and the GDPR. Not complying with accounting standards could result is a suspension of listing or loss of investment trust status, reputational damage and Shareholder activism. Further risks arise from not keeping abreast of changes in legislation and regulations which have in recent years been substantial.	The Board monitors regulatory change with the assistance of the Investment Manager, Company Secretary and external professional suppliers and implements necessary changes should they be required. The Board receives regulatory reports for discussion and, if required, considers the need for any remedial action. In addition, as an investment company, the Company is required to comply with a framework of tax laws, regulation (both UK and EU) and company law. The Board keeps abreast of third party service provider internal controls processes to ensure requirements are met in accordance with regulatory requirements.	
ECONOMIC AND GEOPOLITICAL RISK		Increased
Global geopolitical risk; 'Brexit' There is significant exposure to the economic cycles and political movements of the markets in which the underlying investments are listed. The fluctuations of exchange rates may have a material impact on Shareholder returns. Political change affecting economic stability may have an adverse effect on underlying valuations. Uncertainty surrounding the impact of any eventual exit of the UK from the European Union. Changes in trade and tariff arrangements may affect valuations. Potential for the exit arrangements to adversely impact investee companies.	The Board regularly discusses the global geo-political issues and general economic conditions and developments. Note 27 on pages 109 and 110 describes the impact of changes in foreign exchange rates. The Company's largest exposure is to the level of US $ holdings. Political tensions between and changes within the US, China, Europe and UK continue the uncertainty and volatility in financial markets. The medium and longer term impacts of COVID-19 on this risk, for example the unprecedented levels of fiscal stimulus and travel restrictions will continue to be assessed by the Audit Committee in light of how they may affect the Company's portfolio and the economic and geopolitical environment in which the Company operates within overall. The potential consequences of Brexit continue to be monitored through existing control systems. Due to the high level of US investments (71.1%) and the low level of UK investments (0.71%) the Board does not believe that there is likely to be any significant or direct impact on the operation of the Company or the structure of the portfolio. The Company has a varying level of cash which is primarily held in US Dollars and also has loan facilities in Japanese Yen and US Dollars. Fluctuations in exchange rates are monitored which may impact investor returns. An analysis of currency is given in Note 27 to the Financial Statements.	
KEY STAFF RISK		No change
Loss of Investment Manager or other key management professionals; Insufficient resource or experience on the Board Impact on investor confidence leading to widening of the discount and/or poor performance creating a period of uncertainty and potential termination of the Investment Management Agreement. Inactivity by the Board when action is required leading to loss of Shareholder value causing risk of Shareholder activism.	The strength and depth of investment team provides comfort that there is not over-reliance on one person with alternative senior technology portfolio managers available to act if needed. For each key business process roles, responsibilities and reporting lines are clear and unambiguous. The Investment Manager has implemented BCP arrangements as a result of COVID-19 with staff working remotely with no loss of service. Respected recruiters are used to source suitably experienced candidates for non-executive directorships. A Board, Committee and Individual evaluation process is carried out annually and justification for re-election of Directors is provided in Annual Report to Shareholders.	

No change | Increased | Decreased

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.

INVESTMENT TEAM

The Investment Manager is Polar Capital LLP ('Polar Capital'), which is authorised and regulated by the Financial Conduct Authority.

Under the terms of the investment management agreement Polar Capital provides investment management, and provides and procures accounting, company secretarial and administrative services.

Polar Capital provides a team of technology specialists led by Ben Rogoff. Each team member focuses on specific areas while Ben has overall responsibility for the portfolio. Polar Capital also has other specialist and geographically focused investment teams which may contribute to idea generation. The team's biographies can be found on pages 12 and 13.

TERMINATION ARRANGEMENTS

The investment management agreement 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 and compensation will be on a sliding scale if less than 12 months' notice is given.

FEE ARRANGEMENTS

On 15 April 2019 the Company announced revised fee arrangements which came into force on 1 May 2019.

Performance periods will 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.

Management fees of £18,273,000 (2019: £15,341,000) have been paid for the year to 30 April 2020 of which £nil (2019: £3,876,000) was outstanding at the year end. A performance fee of £1,050,000 has been earned for the year to 30 April 2020 (2019: £6,644,000), and the whole of this amount (2019: whole amount) was outstanding at the year end.

Management fee

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

Tier 1	1 per cent. for such of the NAV as exceeds £0 but is less than or equal to £800 million;
Tier 2	0.85 per cent. for such of the NAV as exceeds £800 million but is less than or equal to £1.6 billion;
Tier 3	0.80 per cent. for such of the NAV as exceeds £1.6 billion but is less than or equal to £2 billion; and
Tier 4	0.70 per cent. for such of the NAV as exceeds £2 billion.

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

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.

Calculation

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

All underperformance must be made good before a fee may be paid.

PAYMENT CONDITIONS

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

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

- There has been outperformance of the Benchmark in the financial year;
- The NAV per share at the financial year end is equal to or higher than the NAV per share when the last performance fee was paid; and
- The NAV per share at the financial year end is equal to or higher than the NAV per share at the beginning of the financial year.

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

Other

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

CONTINUED APPOINTMENT OF INVESTMENT MANAGER

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

We are pleased to see the continued recruitment into the teams to support the Company, which includes the organisation on the Company's behalf of third party suppliers, and the quality of the Shareholder communications.

The Board, on the recommendation of the Management Engagement Committee, has concluded that on the basis of longer-term performance, it is in the best interests of Shareholders as a whole that the appointment of Polar Capital LLP as Investment Manager is continued on the terms agreed on 12 April 2019, effective 1 May 2019.

LONGER-TERM VIABILITY

In accordance with the AIC Code of Corporate Governance, the Company is required to make a forward-looking longer-term viability statement. The Board has considered and addressed the ability of the Company to continue to operate over a period significantly beyond the twelve-month period required for the going concern statement. The Board has considered the industry and market in which the Company operates and the continued appetite for technology investment. The Board continues to use five years as a reasonable term over which the viability of the Company should be viewed; Shareholders have the opportunity to vote on the continuation of the Company every five years, therefore the outlook for the next five-year period incorporates the continuation vote which will be put to Shareholders at the AGM in 2020. The process and matters considered in establishing the longer-term viability are detailed within the Audit Committee Report on page 71.

STRATEGIC REPORT CONTINUED

LONGER-TERM VIABILITY CONTINUED

In establishing the positive outlook for the Company over the next five years to 30 April 2025, the Board has taken into account:

The ability of the Company to meet its liabilities as they fall due	The financial position of the Company and its cash flows and liquidity position are described in the Strategic Report and the Financial Statements. Note 27 to the Financial Statements on pages 107 to 114 includes the Company's policies and process for managing its capital; its financial risk management objectives; details of financial instruments and hedging activities. Exposure to credit risk and liquidity risk are also disclosed. The portfolio comprises investments traded on major international stock exchanges, there is a spread of investments by size of company. The assessment took account of the Company's current financial position, its cash flows and its liquidity position, the principal risks as set out on pages 44 and 45 and the Committee's assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern. The assessment was then subject to a sensitivity analysis over a five-year period, which stress tested a number of the key assumptions underlying the forecasts both individually and in aggregate for normal, favourable and stressed conditions and considered whether financing facilities will be renewed. COVID-19 was also factored into the key assumptions made by assessing its impact on the Company's key risks and whether the key risks had increased in their potential to affect the normal, favourable and stressed market conditions. 99.93% 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. Repayment of the bank facilities, drawn down at the year end, and due in October 2020, would equate to approximately 39% of the cash or cash equivalents available to the Company at 30 April 2020, 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 2020	Under the AIC SORP, where Shareholders have the opportunity to vote in favour or against a company continuing in existence, it will normally be the case that Shareholders will have to vote in favour of a liquidation before it can occur. It is reasonable to believe that if good performance is achieved over the period until the next continuation vote Shareholders will vote in favour of continuation. The Board, Investment Manager and Corporate Broker have sought Shareholder's views on the Company and its proposed continuation. No comments adverse to the continuation of the Company were received and the Shareholders who provided feedback indicated that they would vote in favour of the resolution for the Company to continue. Further details on the engagement with Shareholders can be found in the s172 Statement on pages 50 to 53.
Factors impacting the forthcoming years	The Strategic Report section, comprising the Chair's Statement, the Investment Manager's Report and the Strategic Report provide a comprehensive review of factors which may impact the Company in forthcoming years. In making its assessment, the Board considered these factors alongside the Principal Risks and Uncertainties, and their corresponding mitigation and controls, as set out on pages 44 and 45.
Regulatory changes	Despite the increased level of regulation and the unpredictability of future requirements it is considered that regulation will not increase to a level that makes the running of the Company uneconomical in comparison to other competitive products. That the business model of being a closed ended investment fund will continue to be wanted by investors and the Investment Objective will continue to be desired and achievable.

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

The Board therefore believe it appropriate to confirm their assessment for the longer-term viability of the Company for the next five years to 30 April 2025.

GOING CONCERN

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

Consideration included the Company's current financial position, its cash flows, its liquidity position and its assessment of any material uncertainties and events that might cast significant doubt upon the Company's ability to continue as a going concern. In conjunction with the financial considerations taken into account when reviewing the longer-term viability, the Board considered the Company's performance (net assets +18.6%), outperformance of the benchmark (+0.5%); the liquidity of the portfolio (an estimated 99.93% can be liquidated over seven days) and the opportunity for investment and reinvestment of funds. The Board believe that the Company is able to continue in operation and meet its liabilities as they fall due over the next twelve-month period from the date of this Report and it is appropriate to present the Company and the Financial Statements as a Going Concern.

As highlighted in the Longer-Term Viability and s172 Statements, the Board has considered the likelihood of the Company's continuation vote being passed at the AGM. In consideration of the Company's performance and the views collated from Shareholders, the Board are in agreement that the continuation vote does not impact the Company's ability to prepare the Financial Statements on a going concern basis.

In reaching these conclusions and those in the Longer-Term Viability Statement, the stress testing conducted also featured consideration of the effects of COVID-19. This is discussed further in the Report of the Audit Committee on pages 69 to 73.

CORPORATE RESPONSIBILITY

ENVIRONMENT AND GREENHOUSE GAS EMISSIONS

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

The 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.

DIVERSITY AND HUMAN RIGHTS

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

When new appointments are made to the Board, the Board will continue to have regard to the benefits of diversity, including gender, when seeking to make any such appointments. The Board's Diversity Policy is discussed further in the Report on Corporate Governance on page 65.

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 meet the criteria requiring it to produce a statement under the Modern Slavery Act 2015.

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.

STRATEGIC REPORT CONTINUED

DIRECTORS' DUTIES

SECTION 172 OF THE COMPANIES ACT 2006

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

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

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

SHAREHOLDERS

Engagement

The Directors have considered this duty when making the strategic decisions during the year that affect Shareholders, including the renewal of the gearing facilities, the continued appointment of the Investment Manager and the recommendation that Shareholders vote in favour of the resolutions for the Company to continue and to renew the allotment and buy back authorities at the AGM. The Directors have also engaged with and taken account of Shareholders' interests during the year.

A number of meetings have been held over the last year, and in particular, one event in December 2019 attracted representatives of over 40% of the Shareholder base, this event was first held in 2018 and was expected to be held again in 2020, however given current guidance from the UK government in respect of gatherings of people we expect that it may not be possible this year. In addition, the Chair writes to the Company's largest Shareholders following the publication of the Annual Report and Financial Statements offering the opportunity to have a meeting. In 2018/19 the Chair received one response to this contact and no concerns were raised.

Since the year end, and given the continued measures in place in relation to social distancing and COVID-19, the Directors have carefully considered the viability of an open forum AGM. As detailed in the Chair's Statement the safety and wellbeing of all involved is of the highest priority while expressing that Shareholder engagement is of utmost importance to the Directors. It has therefore been decided that the AGM will be held in a virtual manner for this year with every effort being made to ensure Shareholders will be able to participate and engage with both the Board and the Investment Manager. Full details will be provided in the Notice of AGM.

SHAREHOLDERS CONTINUED

Relations with Shareholders

The Board and the Manager consider maintaining good communications and engaging with Shareholders through meetings and presentations a key priority.

The Board regularly considers the share register of the Company and receives regular reports from the Manager and the Corporate Broker on meetings attended with Shareholders and any concerns that are raised in those meetings. The Board also reviews correspondence from Shareholders and may attend investor presentations.

Shareholders are able to raise any concerns directly with the Board without using the Manager or Company Secretary as a conduit. The Chair or other Directors are available to Shareholders who wish to raise matters either in person or in writing. The Chair and Directors may be contacted through the registered office of the Company.

Shareholders are kept informed by the publication of annual and half year reports, monthly fact sheets, access to commentary from the Investment Manager via the Tech Talk section of the Company's website and attendance at events in which the Investment Manager presents.

The Board is also keen that the AGM be a participative event for all Shareholders who attend. The investment manager gives a presentation and the Chairs of the Board and of the Committees attend and are available to respond to questions and concerns from Shareholders.

Should any significant votes be cast against a resolution, the Board will engage with Shareholders. Should this situation occur, the Board will explain in its announcement of the results of the AGM the actions it intends to take to consult Shareholders in order to understand the reasons behind the votes against. Following the consultation, an update will be published no later than six months after the AGM and the Annual Report will detail the impact the Shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed.

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 enabling those Shareholders to cast their votes on Shareholder resolutions; the Company however has no responsibility over such platforms. The Board therefore encourage Shareholders invested via the platforms to regularly visit the Company's website or to make contact with the Company directly to obtain copies of Shareholder communications.

The Company has also made arrangements with its registrar for Shareholders, who own their shares directly rather than through a nominee or share scheme, to view their account online at www.shareview.co.uk. Other services are also available via this service.

Outcomes and strategic decisions during the year

Share Issuance

In order to satisfy demand for the Company's shares that the secondary market is unable to meet, the Company has used the authority granted by Shareholders to allot shares fully paid for cash. This assists with ensuring the Company's share price does not reach an excessive premium to its net asset value per share and provides the Investment Manager with further capital to invest in line with the stated Investment Policy. Further information on the shares issued during the year can be found in the Directors' Report on page 58 and the Notes to the Financial Statements on page 104.

The Company also has the facility to conduct share buy backs when, in normal market conditions, it is in the best interests of Shareholders to do so.

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 October 2020 and consideration will be given to the renewal of or the replacement of the term loans if it is deemed to be in the best interests of the Company's Shareholders in maximising returns. In October 2019, the Company's one year revolving credit facility expired and was not renewed or replaced.

Continuation Vote

Following consultation with Shareholders, the Board considers that it is in Shareholders' best interests to vote at the AGM in favour of the Company's continuation. The Company's performance has been strong and provides Shareholders with exposure to the technology sector as set out in the Investment Objective. The Board, Investment Manager and Corporate Broker sought 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 feedback received was positive and highlighted the contact between the Investment Manager and Shareholders, the long term investment of many Shareholders, the diversification of the Company's register of Shareholders and the Company's inclusion on many buy lists at private wealth managers and retail platforms.

In arriving at this decision, the Board also had regard to its service providers, including the Investment Manager and the outlook for the sector as a whole.

Directors Remuneration

The new Remuneration Policy, which is subject to approval by Shareholders at the AGM, has been drafted in consideration of the need to attract and retain the necessary calibre of Director for the Company. More information on the Policy and the Directors' rationale for the level of fees set can be found in the Remuneration Implementation Report on page 77.

STRATEGIC REPORT CONTINUED

DIRECTORS' DUTIES CONTINUED

SECTION 172 OF THE COMPANIES ACT 2006

THE 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 Policy;
- Ensuring excessive risk is not undertaken in the pursuit of investment performance;
- Ensuring adherence to the Investment Management Policy and reviewing the agreed management and performance fees;
- Reviewing the Investment Manager's decision making and consistency in investment process; and
- Considering the succession plans for the Technology Team in ensuring the continued provision of portfolio management services.

Maintaining a close and constructive working relationship with the Manager is crucial as the Board and the Investment Manager both aim to continue to achieve consistent, long-term returns in line with the Investment Objective. The culture which the Board maintains to ensure this involves encouraging open discussion with the Investment Manager; recognising that the interests of Shareholders and the Investment Manager are aligned, providing constructive challenge and making Directors' experience available to support the Investment Manager. This culture is aligned with the collegiate and meritocratic culture which Polar Capital has developed and maintains.

Outcomes and strategic decisions during the year

The Management Engagement Committee has recommended the continued appointment of the Investment Manager on the terms agreed within the Investment Management Agreement.

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 Team also use the services of ISS to assist with their own evaluation of companies proposals or reporting ahead of casting votes on behalf of the Company at their general meetings. During the year ended 30 April 2020, votes were cast at 96.4% of investee company general meetings held. At 52.68% of those meetings a vote was either cast against management recommendation, withheld or abstained from. In terms of total proposals, votes in line with management recommendation totaled 85.37% and 14.63% against management recommendation.

Further information on how the Investment Manager considers ESG in its engagement with investee companies can be found on pages 28 to 30.

Outcomes and strategic decisions during the year

During the year the Board discussed the impact of ESG and how the Investment Manager factors it into its decision making.
The Board also considered the views of Shareholders on the topic at the event held in December 2019.

SERVICE PROVIDERS

Engagement

The Directors have frequent engagement with the Company's other service providers through the annual cycle of reporting and due diligence meetings or site visits. This engagement is completed with the aim of having effective oversight of delegated services, seeking to improve the processes for the benefit of the Company and to understand the needs and views of the Company's service providers, as stakeholders in the Company. Further information on the Board's engagement with service providers is included in the Corporate Governance Statement and the Report of the Audit Committee.

Outcomes and strategic decisions during the year

The reviews of the Company's service providers, including Equiniti and Stifel Nicolaus have been positive and the Directors believe their continued appointment is in the best interests of the Company.

The accounting and administration services of HSBC Securities Services (HSS) are contracted through Polar Capital and provided to the Company under the terms of the IMA. The Board however continue to conduct due diligence service reviews in conjunction with the Company Secretary and is satisfied that the service received continues to be of a high standard.

PROXY ADVISORS

Engagement

The support of the major institutional investors and proxy adviser agencies are 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 Director consider the recommendations of these various proxy voting agencies when contemplating decisions that will affect Shareholders and also when reporting to Shareholders through the Half Year and Annual Reports.

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

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

Outcomes and strategic decisions during the year

The Nomination Committee considers the time commitment required of Directors and the Board considers each Director's independence on an ongoing basis. The Directors have also considered the proxy adviser agencies policies on overboarding when Directors' request approval for additional appointments and when recruiting new Directors. The Board have confirmed that all Directors remain independent and able to commit sufficient time in fulfilling their duties, including those listed on s172 of the Companies Act. Accordingly, all Directors, with the exception of Peter Hames who retired from the Board on 8 July 2020, are standing for re-election at the Company's AGM.

THE AIC

Engagement

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

Approved by the Board on 13 July 2020

By order of the Board

Tracey Lago, FCG

Polar Capital Secretarial Services Limited
Company Secretary

NEW CONTENT

New content was necessary to exploit the new colour TV palette, epitomised by snooker which became one of the most popular sports in the UK by the 1980s. The recent lockdown has accelerated the shift towards new networks and content with consumers streaming more than 13bn hours of video during Q1'20 while TikTok, the Chinese video sharing social networking service, experienced 200m app downloads.

CORPORATE GOVERNANCE

DIRECTORS' REPORT

BOARD OF DIRECTORS

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

As a FTSE350 company and in accordance with the requirements of the AIC Code of Corporate Governance, all Directors will stand for re-election by Shareholders at the AGM to be held on 2 September 2020. As indicated within the Report on Corporate Governance the Nomination Committee considers the composition of the Board and makes recommendations to the Board in support of the re-elections.

Sarah Bates

Independent Non-executive Chair

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

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

Other Appointments
Sarah is Chair of Merian Global Investors Limited (formerly Old Mutual Global Investors) and is a non-executive director of Worldwide Healthcare Trust plc. Sarah is also Chair of the Diversity Project Charity, a member of the investment committees of the BBC Pension Scheme and of the University Superannuation Scheme. Previously, Sarah was Chair of St James' Place plc, JP Morgan American Investment Trust plc, Witan Pacific Investment Trust plc and was also chair of the audit committees of New India Investment Trust plc and of U and I Group plc. Sarah is a Fellow of CFA UK.

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

PCT Share Interests
10,500

Annual Remuneration – 2019
£44,300

Rationale for re-election
Sarah has served on the Board for 9 years with the latter three being as Chair. She brings a wealth of investment and strategic experience to the Board along with detailed and effective leadership skills, most recently demonstrated through the re-negotiation of the fee arrangements with the Manager.

The Board has and continues to value the contribution made by Sarah to the running of the Company. The Chair tenure policy of the Board indicates that Sarah will step down from the Board at the AGM to be held in 2022.

Tim Cruttenden

Independent Non-executive Director

Appointed to the Board
Appointed to the Board in March 2017 and as Senior Independent Director and Chairman of the Remuneration Committee in July 2020.

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

Other Appointments
Tim is a non-executive director of Merian Chrysalis Investment Company Limited.

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

PCT Share Interests
1,000

Annual Remuneration – 2019
£28,400

Rationale for re-election
Tim has extensive venture capital investment experience and brings an alternative investment perspective to discussions on portfolio. The Board and Manager value the investment debates at meetings and welcome the continued contribution from Tim.

Charlotta Ginman

Independent Non-executive Director

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

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

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

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

PCT Share Interests
4,941

Annual Remuneration – 2019
£33,400

Rationale for re-election
Charlotta has recent and relevant financial and investment expertise with a strong accounting background which enables her to perform in-depth analyses of the Company's Financial Statements in conjunction with the external service providers. Charlotta actively works with the Auditors to ensure a smooth year-end process and audit. Charlotta is the audit committee chair of two other listed entities which enable her to bring a wider understanding and breadth of knowledge to the Company across the investment industry.

Charles Park
Independent Non-executive Director

Appointed to the Board
Appointed to the Board in January 2018.

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

Other Appointments
Charles is a non-executive director of both North American Income Trust plc and Evenlode Investments and is a member of Salters' Management Company Ltd.

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

PCT Share Interests
1,840

Annual Remuneration – 2019
£28,400

Rationale for re-election
Charles has extensive equity investment experience and brings to the Board current and active knowledge of the industry. As the Board has evolved Charles has brought new vigour to engagement with the portfolio holdings and actively engages with the Portfolio Manager. The Board and Manager value the contribution made by Charles.

Stephen White
Independent Non-executive Director

Appointed to the Board
Appointed to the Board in January 2018.

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

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

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

PCT Share Interests
10,000

Annual Remuneration – 2019
£28,400

Rationale for re-election
Stephen has current investment and financial expertise with a strong accounting background. This enables him to assist with the financial reports and their analysis and bring another view to the year-end audit process, including knowledge and understanding from across the investment sector.

Stephen's other audit committee chair positions balance his time and the Board is confident that Stephen is able to devote sufficient time to all of his appointments.

Peter Hames
Independent Non-executive Director

Appointed to the Board
Appointed to the Board in June 2011 and as both the Senior Independent Director ('SID') and Chair of the Remuneration Committee in September 2016. Retired on 8 July 2020.

Skills and Experience
Peter Hames spent 18 years of his investment career in Singapore, where in 1992 he co-founded Aberdeen Asset Management's Asian operation and as Director of Asian Equities he oversaw regional fund management teams responsible for running a number of top-rated and award winning funds.

Other Appointments
Peter Hames is a Director of MMIP Investment Management Limited. Peter is also an independent member of the Operating Committee of Genesis Investment Management LLP.

Committee Attendance (up to 8 July 2020)
Audit (Member)
Management Engagement (Member)
Nomination (Member)
Remuneration (Member)

PCT Share Interests
3,000

Annual Remuneration – 2019
£32,100

Taxable expenses
£1,337

DIRECTORS' REPORT CONTINUED

The Directors present their Directors' Report including the Report on Corporate Governance together with the Company's Audited Financial Statements prepared under International Financial Reporting Standards as adopted by the European Union ('IFRS') for the year ended 30 April 2020.

STATUS

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

The Company seeks to operate as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010 (as amended by section 42(2) of the Finance Act 2011). This qualification permits the accumulation of capital gains within the portfolio without liability to UK Capital Gains Tax. The Company has received confirmation from HM Revenue & Customs that on the basis of the information supplied, the Company is an approved investment trust, the close company provisions do not apply. The Directors, under advice, expect the affairs of the Company to continue to satisfy the conditions of an investment trust.

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.

The Company has registered as a Foreign Financial Institution with the US IRS. See page 121 for reference numbers.

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

DIRECTORS

The current Directors of the Company are listed on pages 56 and 57. All the Directors held office throughout the year under review. All Directors, with the exception of Peter Hames who retired on 8 July 2020, will retire and seek re-election at the AGM in September 2020 in accordance with the AIC Code, which recommends annual re-election for all directors. The fees paid to the Directors are set out in the Directors' Remuneration Report.

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 61 to 68 forms part of this Directors' Report.

CAPITAL STRUCTURE

ISSUED

The Company's share capital is divided into ordinary shares of 25p each. At the year end there were 134,566,000 ordinary shares in issue (2019: 133,825,000 ordinary shares). At 10 July 2020, the latest practicable date prior to signing of this report, there were 137,265,000 ordinary shares in issue.

CHANGES DURING THE YEAR

741,000 ordinary shares were issued in the year ended 30 April 2020 and no shares were purchased for cancellation or to be held in treasury. Details of changes since 30 April 2020 can be found in Note 28 on page 114 to the Financial Statements.

VOTING RIGHTS

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

TRANSFERABILITY

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

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

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

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

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

POWERS TO ISSUE ORDINARY SHARES AND MAKE MARKET PURCHASES OF ORDINARY SHARES

The Board was granted authority by Shareholders at the AGM in 2019 to allot equity securities up to a nominal value of £3,345,625 and to issue those shares for cash without offering those shares to Shareholders in accordance with their statutory pre-emption rights. These powers will expire at the AGM to be held in September 2020 and renewal of the authorities will be sought at that AGM. New ordinary shares will not be allotted and issued at below the Net Asset Value.

The Board also obtained Shareholder authority at the AGM in 2019 to make market purchases of up to 20,060,360 ordinary shares of the Company for cancellation or holding as treasury shares in accordance with the terms and conditions set out in the resolution. This authority expires at the AGM to be held in September 2020 and renewal of the authority to make market purchases of ordinary shares will be sought at that AGM.

The level of the ordinary share price discount or premium to the Net Asset Value together with internal guidelines for the repurchase or issuance of new ordinary shares are kept under regular review by the Board. The Board considers that discount volatility is unattractive to Shareholders but as a specialist investment fund, market sentiment can create sustained discount pressure. With this in mind the Board has a pragmatic approach to share buy backs.

MAJOR INTERESTS IN ORDINARY SHARES

Declarations of interests in the voting rights of the Company at 30 April 2020 are set out below:

Shareholder	Type of holding	Number of ordinary shares	Percentage of voting rights*
Rathbone Brothers Plc	Indirect	14,723,419	10.7%
Brewin Dolphin Limited	Indirect	9,946,829	7.3%
Investec Wealth& Investment Ltd	Direct	6,678,451	4.9%
Quilter plc (formerly Old Mutual plc)	Indirect	6,704,725	4.9%
Lazard Asset Management LLC	Indirect	6,383,454	4.7%

Since the year end and up to the date of this report, the Company has been notified of the following:

	Type of holding	Number of ordinary shares	Percentage of voting rights*
Investec Wealth& Investment Ltd	Direct	6,813,636	5.0%

* The above percentages are calculated by applying the shareholdings as notified, to the issued ordinary share capital at 10 July 2020 of 137,265,000 ordinary shares.

DIRECTORS' REPORT CONTINUED

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 on 9 September 2015 and passed with 99.9% of the votes cast in favour of continuing for a further five years. The next continuation vote will be proposed at the Annual General Meeting to be held in September 2020.

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 themself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

2020 ANNUAL GENERAL MEETING

The AGM will be held on Wednesday, 2 September 2020 and full details of the meeting arrangements and the business to be transacted will be sent under separate cover to Shareholders. Due to the health and well-being restrictions in place in connection with COVID-19 the Board has decided to hold the meeting in a virtual capacity this year.

The separate Notice of Meeting will contain the usual resolutions to receive the Financial Statements, approve the Directors' Remuneration Implementation Report, re-elect retiring Directors, appoint the Auditors and empower the Directors to set their fees, renew the allotment and buy back authorities, in addition to the three yearly binding vote on the Directors' Remuneration Policy and the continuation vote referred to under Life of The Company.

The full text of the resolutions to be proposed at the AGM and an explanation of each resolution are contained in the separate Notice of Meeting. The Directors recommend that you cast your proxy votes vote in favour of all resolutions proposed, as they will in respect of their own holdings.

By order of the Board

Tracey Lago, FCG

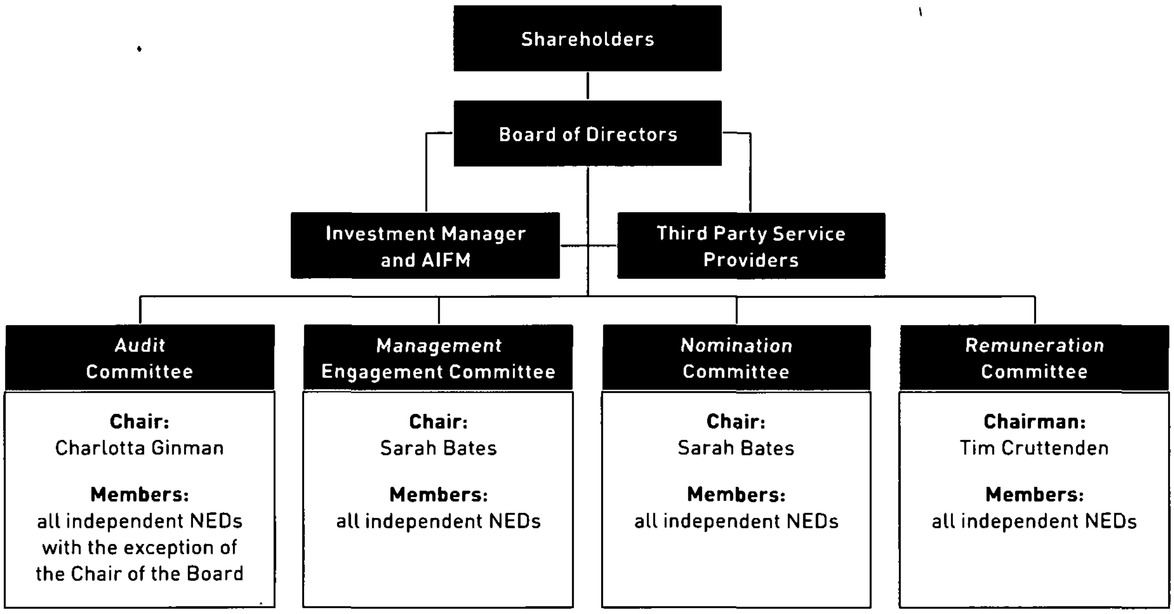
Polar Capital Secretarial Services Limited
Company Secretary

13 July 2020

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE FRAMEWORK

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



The Financial Reporting Council (FRC) has endorsed the Association of Investment Companies ('AIC') Code of Corporate Governance (the 'AIC Code') for AIC Member Companies to report against in relation to their corporate governance provisions. The AIC Code addresses the relevant principles set out in the FRC UK Code as well as additional principles and recommendations on issues that are specific to investment trust companies. The Annual Report for the year ended 30 April 2020 is the first year for which the Company reports under the 2019 version of the AIC Code.

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

STATEMENT OF COMPLIANCE AND APPLICATION OF THE AIC CODE'S PRINCIPLES

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

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

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

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 pages 62 to 68.

REPORT ON CORPORATE GOVERNANCE CONTINUED

BOARD LEADERSHIP AND PURPOSE (PRINCIPLES A–E, PROVISIONS 1–7)

PURPOSE

The Company's purpose is encapsulated in its Investment Objective and the Company's strategy is to achieve this objective through successful application of the Investment Policy. The Investment Policy seeks to provide investors with global exposure to technology companies and sets parameters to ensure the portfolio is diversified and excessive risk is not undertaken. As an externally managed investment trust, the culture of the Company is consequential of the Board's diversity, decisions and behaviours which are aligned with the values and behaviours of the Investment Manager, interaction between the two and engagement with the Company's stakeholders. The Board monitors this culture, including the policies and practices it implements to maintain it.

BOARD LEADERSHIP

In promoting the long-term sustainable success of the Company, the performance of the Company's portfolio is constantly reviewed in view of value generation for Shareholders by achievement of the investment objective and investment management fees are reviewed periodically, with the last change being made in 2019. The Company's performance over the previous ten years can be found on page 5 and how the Board views its duties is considered in the s172 statement on pages 50 to 53. 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 Shareholders and stakeholders encouraged and the Board can be easily contacted through the Company Secretary. The Company's service providers are subject to periodic site visits and attend meetings throughout year, ensuring effective engagement. Fulfilling the Investment Objective and the Company's performance is the focus of the Board's discussions in meetings, which is also reported on at least monthly.

The Board's effectiveness, including how it promotes the long-term sustainable success of the Company, is reviewed annually and facilitated by an external evaluator every three years. The process and outcomes from the evaluation are detailed under on page 66.

ROLE, RESPONSIBILITIES AND COMMITTEES OF THE BOARD

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

The number of formal meetings of the Board and its Committees held during the year ended 30 April 2020 and the attendance of individual Directors are shown below:

	Board & Strategy	Audit	Management Engagement	Remuneration	Nomination	2019 AGM
Number of Meetings						
Sarah Bates*	6	3	2	1	2	1
Tim Cruttenden	6	3	2	1	2	1
Charlotta Ginman	6	3	2	1	2	1
Peter Hames	6	3	2	1	2	1
Charles Park	6	3	2	1	2	1
Stephen White	6	3	2	1	2	1

* Sarah Bates attends the Audit Committee by invitation.

SERVICE PROVIDER PERFORMANCE EVALUATION PROCESS

Investment Manager

The Board has contractually delegated the management of the portfolio to the Manager. It is the Manager's sole responsibility to take decisions as to the purchase and sale of individual investments other than unquoted investments where the Board is consulted. The Manager has responsibility for tactical gearing, asset allocation and sector selection within the guidelines established and regularly reviewed by the Board.

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

The whole Board reviews the performance of the Investment Manager 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 Investment Manager, led by Ben Rogoff, has long experience of investment in technology. In addition, the Investment Manager has other investment resources which support the investment team and has experience in managing and administering other investment trust companies.

REPORT OF THE MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee is chaired by Sarah Bates. The Committee comprises all of the independent Non-executive Directors. During the financial year ended 30 April 2020 the Committee met twice to consider the relationship with, and the services provided by the Manager prior to making its recommendation to the Board on the retention of the Manager being in the best interests of Shareholders. The Committee is also responsible for keeping under review the terms of the investment management agreement and the Manager's appointment as AIFM, in connection with such the Committee considers the level and structure of management and performance fee paid or payable to the Investment Manager.

As referenced in the Strategic Report and detailed in the Notes to the Financial Statements, the Board keeps under review its fee arrangements with Polar Capital LLP (the 'Investment Manager'). The size of assets has grown, performance has been strong in both absolute and relative terms. A full review of all fee arrangements was undertaken in 2019 and the revised arrangements have been in force since 1 May 2019.

The Company uses a variety of performance measures when monitoring the performance of the portfolio managed by the Investment Manager, these measures are considered to be alternative performance measures under the ESMA guidelines and are described further on page 118.

Other Suppliers

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

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

REPORT OF THE NOMINATION COMMITTEE

The Report of the Nomination Committee can be found under Composition, Succession and Evaluation on pages 65 and 66.

REPORT OF THE AUDIT COMMITTEE

Charlotta Ginman chairs the Audit Committee and all independent Non-executive Directors are members with the exception of the Chair of the Board, who may be invited to attend meetings as a guest. The Audit Committee Report is set out on pages 69 to 73.

REPORT OF THE REMUNERATION COMMITTEE

Peter Hames chaired the Remuneration Committee until he retired from the Board on 8 July 2020. Tim Cruttenden became Chairman of the Committee thereafter. The Report of the Remuneration Committee can be found on pages 74 to 78.

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's meeting agendas and for balancing the issues presented to each meeting. Open and honest debate is encouraged at each Board meeting and the Chair keeps in touch with both the Company Secretary and other Directors between Board meetings. Sarah Bates was appointed to the Board in 2011 and appointed as Chair of the Board in 2017. The Chair was independent on appointment and continues to meet the criteria for independence. The Board considers the competence and independence of the Directors on an annual basis.

THE SENIOR INDEPENDENT DIRECTOR

The SID leads on matters relating to the position, evaluation and remuneration of the Chair and can be contacted via the Registered Office of the Company.*

BOARD RESPONSIBILITIES

The Board currently comprises five Non-executive Directors who are all independent of the Manager. 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 Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. No professional advice has been sought during the year. The Directors have access to the advice and services of the Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. The Board and Investment Manager operate in a supportive, co-operative and open environment.

The Board has a schedule of regular meetings through the year and meets at additional times as required. During the year, Board and Board Committee meetings were held to deal with the ongoing stewardship of the Company and other matters including the setting and monitoring of investment strategy and performance, review of the Financial Statements and considering any Shareholder feedback. The Board was responsible for considering, reviewing and implementing appropriate policies in respect of regulatory changes that impacted the Company.

A Strategy Board meeting is held each year where investment ideas are discussed. Through this process the Board supervises the management of the investment portfolio, the work of the Investment Manager, the risks to which the Company is exposed and their mitigation, and the quality of services received by the Company.

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

DELEGATED RESPONSIBILITIES

The Board has delegated to each of the Audit, Management Engagement, Remuneration and Nomination Committees specific remits detailed within the terms of reference which are available on the Company's website, but the final responsibility in these areas remains with the Board. The Chair of each committee attends the AGM to deal with questions relating to the Annual Report and Financial Statements. Attendance at each of these meetings is disclosed on page 62.

DIRECTORS' PROFESSIONAL DEVELOPMENT

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

* Peter Hames was the SID for the year under review and on his retirement from the Board on 8 July 2020, Tim Cruttenden was appointed as SID.

CONFLICTS OF INTEREST

Directors have a duty to avoid a situation in which they have a conflict of interest or a possible conflict with the interests of the Company. The Company's Articles 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 interests 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 Directors are excluded from any discussions or decisions relating to the matter of conflict.

Each Director has provided the Company with a statement of all conflicts of interest and potential conflicts of interest, each has been approved by the Board and recorded in a register. 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 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.

COMPOSITION, SUCCESSION AND EVALUATION (PRINCIPLES J–L, PROVISIONS 22–28)

BOARD COMPOSITION

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

SUCCESSION

Due to the fully independent non-executive Board comprising five Directors, the Board has deemed it appropriate for the full Board to also fulfil the role of the Nomination Committee. In 2019 a temporary sub-committee of the Nomination Committee was formed, comprising Tim Cruttenden, Charlotta Ginman, Charles Park and Stephen White. The purpose of the sub-committee was to consider the tenure policy of the Chair and the SID who both reached nine years of service in 2020.

Since the year end, the Committee considered the retirement of Peter Hames with effect from 8 July 2020 and the roles of SID and Remuneration Committee Chairman which he held. It was agreed that Tim Cruttenden would succeed Mr Hames in both roles.

CHAIR TENURE POLICY

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

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. The rationales for re-election of each Director will be included in the Chair's letter which accompanies the Notice of Annual General Meeting at which the re-election resolution is being put to Shareholders. 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.

COMPOSITION, SUCCESSION AND EVALUATION (PRINCIPLES J–L, PROVISIONS 22–28) CONTINUED

CHAIR TENURE POLICY CONTINUED

The Board's policy is that the maximum Board tenure for its Chair is up to 12 years (where up to 9 years of this could be served as a Non-executive Director). The Board believes that due to the staggered nature of the appointment dates of existing and future Directors, and the expectation that Directors, unless assuming the role of Chair or there being unforeseen circumstances, will retire from the Board after nine years of service, there is regular refreshment of the Board. When new Non-executive Directors are recruited, consideration is given to all forms of diversity in order to balance both the expertise on, and the structure of, the Board as a whole.

REPORT OF THE NOMINATION COMMITTEE

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

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

Meetings and Work Undertaken

During the financial year ended 30 April 2020 the Nomination Committee met twice and considered the structure, size and composition of the Board. It was agreed that all relevant targets were being met in relation to diversity, experience and expertise on the Board.

Evaluation

The Nomination Committee was also responsible for coordinating the evaluation of the Board and considering the conclusions from that review. This evaluation included separate interviews with each Director and the completion of questionnaires, culminating in written reports being provided to the Committee.

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 and led by the SID. The Committee has determined that each Director standing for re-election continued to offer relevant experience, effectively contributed to the operation of the Board and had demonstrated independent views on a range of subjects. The Committee is satisfied that the structure, mix of skills and operation of the Board continue to be effective and relevant for the Company.

The evaluation for 2019 was conducted by Lintstock Ltd, an external facilitator with no other connection to the Company or individual Directors. External evaluations have been completed every three years whilst the Company has been a constituent of the FTSE 350. This was the first such evaluation that was completed with the current Board members and it was therefore deemed appropriate to conduct an internal evaluation with the same group of Directors for 2020.

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

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

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

AUDIT, RISK AND INTERNAL CONTROL (PRINCIPLES M–O, PROVISIONS 29–36)

INTERNAL CONTROLS

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

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

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

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

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. The reports also include results of tests, with details of any known internal control failures from the Investment Manager for its financial year ended 31 March 2020. For the year under review, no material errors or control failures had been identified. The Manager has subsequently provided confirmation that there has been no material change to the control environment up to the date of signing these Financial Statements.

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

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

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

REMUNERATION (PRINCIPLES P–R, PROVISIONS 37–42)

Peter Hames served as Senior Independent Director and Chairman of the Remuneration Committee throughout the year and until 8 July 2020, when he was succeeded by Tim Cruttenden. All independent Non-executive Directors are members of the Committee. The Committee meets at least annually and is responsible to the Board for consideration and recommendations in relation to directors' remuneration.

The Company's remuneration policy, which is being put to Shareholders for approval at the AGM in September 2020, is detailed within the Report of the Remuneration Committee on page 75 and explains how the policy is designed to support strategy and promote long-term sustainable success.

Consideration is given to peer investment trust companies remuneration levels, industry guidance, the work undertaken by the Board in the prior year and plans for the year ahead. Remuneration levels are set to attract and retain the correct calibre of individual to the Board. Further details are provided in the Directors' Remuneration Report on pages 76 and 77. The Directors are excluded from discussions in relation to their own remuneration.

By order of the Board

Tracey Lago, FCG
Polar Capital Secretarial Services Limited
Company Secretary
13 July 2020

AUDIT COMMITTEE REPORT

Charlotta Ginman

Chair of the Audit Committee

INTRODUCTION FROM THE CHAIR

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

COMMITTEE COMPOSITION

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

The Audit Committee, as a whole, has competence relevant to the sector in which the Company operates. Committee members have a range of financial, investment and other relevant sector experience including fund management in both equity and venture capital funds. The requirement for at least one member of the Committee to have recent and relevant financial experience is satisfied by both Stephen White and myself being Chartered Accountants and we both currently chair Audit Committees for other public companies. More information about the Committee members can be found on pages 56 and 57.

The Committee met three times during the financial year with all members attending each meeting. The last of these scheduled meetings has changed somewhat with work being completed remotely by the use of technology, such as videoconferencing and meeting paper software. I am pleased to confirm that this has worked well, with Committee members able to operate as effectively as before.

COMMITTEE ROLE AND RESPONSIBILITIES

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 and have been updated to incorporate the changes introduced by the 2019 AIC Code of Corporate Governance. In addition to the terms of reference, the Committee has developed an annual agenda to ensure all key responsibilities are completed and managed effectively.

SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT COMMITTEE DURING THE YEAR

AUDIT REGULATION

In the year since my last report to you, the UK audit sector has been subject to a number of reviews, such as those conducted by the Competition and Markets Authority ('CMA') into the Statutory Audit Market and the Kingman Review of the FRC which have resulted in a number of recommendations for the Department of Business, Enterprise, Industry and Skills to consider. The Audit Committee has considered the recommendations and how they may affect the Company should they be implemented. These reviews have also coincided with the FRC's own consultation proposing important changes to the UK's Ethical and Auditing Standards (last updated in 2016) which led to the publication of revised Standards in December 2019, effective from 15 March 2020. In addition to this, the Committee also reviews the outcomes of the FRC's annual Audit Quality Reviews and discusses the findings with our Auditor.

The Committee updated the non-audit services policy in-line with the ethical standards and does not at this time recommend any change to the current practices employed in the external audit process in response to these reviews, but will continue to monitor developments as they unfold.

COVID-19

The COVID-19 pandemic commenced in the weeks immediately prior to the Company's financial year end and the Committee gave in-depth consideration to its potential effects on the Company. Thankfully, the Company's performance has remained robust and the Company has been relatively insulated from the significant impairments and loss of value experienced by other companies in the sector. The long term effect of the pandemic on the global economy will become clearer in time and the Committee will continue to monitor how COVID-19 (which is captured in our Risk Map as a black swan event) develops, with its effects anticipated to appear in our assessment of global geopolitical risk or the ability to achieve the Investment Objective.

In mitigating the business risks caused by the pandemic, the Committee has been reviewing the operational resilience of its various service providers, who have continued to demonstrate their ability to provide services to the expected level, whilst doing so remotely.

AUDIT COMMITTEE REPORT CONTINUED

The Committee was assured by the level of detail and transparency offered by our service providers in reporting how they had committed resources in adapting their businesses to operate remotely for a longer period than many business continuity plans expect to be in operation for. We were further assured by the confirmation of no business failures being experienced. We also considered the guidance issued by the FRC when reviewing the stress testing required in considering the Company's ability to continue as a going concern and make a statement in regard to the Company's ongoing viability.

SIGNIFICANT REPORTING MATTERS

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

The Board has asked the Committee to 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 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 are undertaken in the production process, by the Investment Manager and the Committee; and
- the internal control environment as operated by the Investment Manager and other suppliers including any checks and balances within those systems.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30 April 2020, 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 it has reported on these findings to the Board.

Valuation of Investments

During the year the Committee 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).

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.

OTHER REPORTING MATTERS

Accounting Policies

During the year the Committee ensured that the accounting policies as set out on pages 90 to 95 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.

The Committee also noted the FRC's Letter on Accounting & Corporate Reporting during the Brexit transition period, which outlines that:

- During the transition period there will be no changes to the UK's accounting and corporate reporting framework and the Company can continue to prepare the Financial Statements under EU adopted International Accounting Standards ('IASs') up to 30 April 2021.
- For financial years beginning after 31 December 2020, companies will be required to prepare accounts using UK-adopted IAS. The Company will be required to use the UK-adopted IAS for the year ending 30 April 2022.

The FRC will provide communication on any changes that come into effect after the end of the transition period and we will report this to our Shareholders in the Annual Report when this takes effect.

Going Concern

The Audit Committee, at the request of the Board, considered the ability of the Company to adopt the Going Concern basis for the preparation of the Financial Statements. Having reviewed the Company's financial position, the Committee is satisfied that it is appropriate for the Board to prepare the Financial Statements for the year ended 30 April 2020 on a going concern basis.

The Committee's review of the Company's financial position included consideration of the current, cash and debt ratios of the Company; the ability to repay outstanding bank facilities with approximately 39% of the cash and cash equivalents readily available to the Company as at 30 April 2020; the diversification of the portfolio; and the analysis of portfolio liquidity, which estimated liquidation of 99.93% of the portfolio within seven trading days.

As stated in the Statement of Going Concern and description of Principal Risks and Uncertainties in the Strategic Report, the stress testing completed in determining the appropriateness of preparing the Financial Statements on a going concern basis was supplemented by additional testing to consider the Company's upcoming continuation vote and the effects of COVID-19.

In respect of the continuation vote, the Company's performance over the previous financial year was considered and in light of the Company's outperformance of the Benchmark in NAV per share terms in the year ended 30 April 2020 (and for the prior two financial years), and share issuance and share price premium to net asset value, the Committee concluded that it was reasonable to believe that if good performance continues to be achieved over the period until the continuation vote Shareholders will vote in favour of continuation. This conclusion is consistent with the guidelines provided by the AIC's Statement of Recommended Practice.

In considering the effects of COVID-19, the Committee considered the Company's financial performance during the period of market volatility and economic uncertainty since the outset of the pandemic. The Committee concluded that: given the outperformance of the Company's share price and net asset value in the period from the their lowest levels in mid-March 2020; the lack of an impact on dividend income or expected cuts to dividends; the minimal effect of interest rate cuts on income received; and minimal exposure to unquoted assets (one out of 101 investments in the portfolio) that COVID-19 had not affected the Company's ability to continue as a going concern and was not expected to have a significant financial impact.

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 44 and 45 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 and considered whether financing facilities will be renewed. In addition to the assessment and in conjunction with the review of the principle risks that the Company faces, the Company carried out stress testing, applying, where possible, values to a variety of our key risks materialising, and evaluated the effect of this on the Company's viability over a five year period. COVID-19 was also factored into the key assumptions made by assessing its impact on the Company's key risks and whether the key risks had increased in their potential to affect the normal, favourable and stressed market conditions.

The results of the testing demonstrated the impact on the NAV and the Company's ability to be able to meet its liabilities over the same 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 2025 are reasonable. See pages 47 and 48 for further details.

Taxation and Expenses

The Board ensured that the Company was compliant with section 1158 of the Corporation Tax Act 2010 throughout the year, by seeking and receiving confirmation that the Company continues to meet the eligibility conditions.

In the year under review, Grant Thornton LLP provided services to the Company as tax agents in Taiwan and Arrk Solutions for the iXBRL tagging of the Company's accounts for submission to HM Revenue and Customs.

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 performance fees to capital, in-line with market practice and permitted by the AIC SORP (Statement of Recommended Practice).

Interim Report and Financial Statements

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

Internal Controls and Risk Management

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

The Audit Committee on behalf of the Board has a risk management process which is used throughout the year to monitor the Company's risks and controls.

AUDIT COMMITTEE REPORT CONTINUED

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. During the year, the Committee received reports from Polar Capital on their due diligence site visit of HSBC where they received thorough presentations from their representatives covering the work of the Operations, Risk Administration and Accounting Teams, in addition to the Custodian and Depositary. Representatives of the Investment Manager also reported to the Committee on their own internal controls and the Committee also received internal control reports all key suppliers on the quality and effectiveness of the services provided to the Company. No matters of concern were raised at any of the meetings or on reviewing the internal controls reports. It was agreed that the deep dive review meetings, which the Committee completed during the prior financial year, would continue to be undertaken periodically.

The Audit Committee uses a Risk Map which seeks to identify, monitor and mitigate principal risks as far as possible. Over the year the Audit Committee has continued to review the Risk Map to identify the principal risks facing the business and reviewed each risk as to its likelihood and impact.

The Committee also robustly considered the mitigating factors and controls to reduce the impact of such risks as described on pages 44 and 45. As well as the annual review the Audit Committee has maintained an active process throughout the year to monitor these risks and controls in order to provide assurance that they operate as intended and that the Risk Map reflects developing and new risks.

In addition, the Audit Committee has met to discuss and assess emerging risks and where appropriate recommends changes to the Risk Map, as well think of different ways of illustrating the level of risk faced by the business through the use of heat maps, for example.

The Audit Committee will actively continue to monitor the system of internal controls through the regular review of the Risk Map and the internal control environment.

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

All such policies can be found on the Company's website www.polarcapitaltechnologytrust.co.uk.

The Audit Committee has also considered the Investment Manager's policy and controls surrounding the use of brokerage commissions generated from transactions in the Company's portfolio.

EXTERNAL AUDITOR

Appointment and Tenure

Following the formal competitive tender process in 2016, the Committee agreed to appoint KPMG LLP ('KPMG') which was subsequently confirmed by Resolution of the Shareholders at the last three AGMs. Mr John Waterson is the Audit Partner allocated to the Company by KPMG. Mr Waterson has met with the Board several times prior to and during the audit process.

It is anticipated that Mr Waterson will serve as Audit Partner until completion of the audit process in 2022 and EU legislation requires the Company to tender the external audit no later than for the year ending 30 April 2028. The Company has complied throughout the year ended 30 April 2020 with the provisions of the Statutory Audit Services Order 2014, issued by the Competition and Markets Authority ('CMA Order'). The re-appointment of KPMG as Auditor to the Company will be submitted for Shareholder approval at the AGM to be held in September 2020, together with a separate Resolution to authorise the Directors to set the remuneration of the Auditor.

There are no contractual obligations restricting the choice of external auditor.

The Audit

The scope of the annual audit was agreed in advance with the Committee with a focus on areas of audit risk and the appropriate level of audit materiality. However, the weeks prior to the financial year end were subject to significant volatility in the markets in which the Company invests due to COVID-19. This led to a requirement for an increased level of scrutiny of the Company's going concern and longer-term viability testing by the Auditors. The Auditors challenged the assumptions that had been used to determine the various levels of stress testing, reviewed the Committee's analysis of provision of services from third-party providers and monitored for potential events that could necessitate a post balance sheet statement. The Auditors reported to the Audit Committee on the results of the audit work and highlighted any issue which the audit work had discovered, or the Committee had previously identified as significant or material in the context of the Financial Statements.

There were no adverse matters brought to the Audit Committee's attention in respect of the 2020 audit, which were material or significant or which should be brought to Shareholders' attention.

Effectiveness

The Audit Committee monitored and evaluated the effectiveness of the Auditors under the terms of their appointment based on an assessment of their performance, qualification, knowledge, expertise and resources.

The Auditors' effectiveness was also considered along with other factors such as audit planning and interpretations of accounting standards. This evaluation has been carried out throughout the year by meetings held with the Auditors, by review of the audit process and by comments from the Investment Manager and others involved in the audit process.

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

Independence

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

Fees

As part of the year end audit, the Committee considered and re-confirmed the level of fees pre-agreed and payable to the Auditor bearing in mind the nature of the audit and the quality of services received. The annual audit fee for the year was £35,000 (2019: £24,500). Whilst this increase reflects a 43% rise compared to the prior year's fees, it is consequential of the development of average fees for statutory audits, whereby increased resource is being committed by audit firms, particularly in terms of partner level involvement.

Prior to agreeing the proposed fee, the Committee compared it to peer group fees and fees at other investment trusts of a similar net asset value with a portfolio of primarily listed assets. The comparison illustrated that the proposed fee increase was competitive and at a level that could reasonably be expected when seeking service to a level acceptable to the Committee.

The 2018 and 2019 audit fees had been fixed at the outset of KPMG's appointment in 2017.

Non-Audit Services

The Audit Committee's policy on the provision of non-audit services by the Auditor is available on the Company's website. The policy is produced in line with the FRC Ethical Standards and any non-audit services are required to be pre-approved by the Audit Committee. During the year, the FRC revised the Ethical Standards, with effect from 15 March 2020, to contain a more concise list of non-audit services that the Company's statutory auditor is permitted to complete, replacing the long list of excluded services which had been introduced with the EU Audit Directive in 2016. The Company's non-audit services policy was updated in May 2020 to reflect the revisions.

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

As a member of the FTSE350, the AIC Code recommends that the Directors engage in an externally facilitated Board evaluation at least every three years. This external evaluation took place in 2019 and was completed by Lintstock, an independent third-party specialising in board evaluation. The external evaluation included a review of the work undertaken by the Audit Committee and findings of the external evaluation were positive in all aspects and the Audit Committee was highly rated with particular note being made of the annual cycle of work, meeting time and input value, along with the Committee members ability to review the Financial Statements and the assistance and support given to the Board in relation to the Company's risk framework.

This year, an internal evaluation was completed and the findings were consistent with those in the 2019 external evaluation. The Committee will continue to seek improvement in its effectiveness where possible and follow best practice guidance from the FRC and other bodies which provide it.

Charlotta Ginman, FCA

Chair of the Audit Committee

13 July 2020

DIRECTORS' REMUNERATION REPORT

Tim Cruttenden
Chairman of the Remuneration Committee and Senior Independent Director

INTRODUCTION

This report is submitted in accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulation 2013 (the 'Regulations'), The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Listing Rules of the Financial Conduct Authority in respect of the year ended 30 April 2020. It has been audited where indicated as such.

CHAIRMAN'S REPORT

I was appointed as Chairman of the Committee on 8 July 2020, succeeding Peter Hames who was Chairman of the Committee from 2016 and chaired the Committee throughout the year under review, retiring from the Board and as Committee Chairman on 8 July 2020. The Committee comprises all the independent Non-executive Directors.

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

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

REMUNERATION POLICY

The current Remuneration Policy was approved by Shareholders at the AGM in 2017 and will be in force until 30 April 2021. Being the third year since the Remuneration Policy was approved, a revised Policy is being proposed for Shareholder approval at our AGM in September 2020. If approved, this policy will remain in force until 30 April 2024. The existing Remuneration Policy is below and the new Remuneration Policy, to be proposed to Shareholders can be found on the following page.

This Annual Report confirms that Directors' remuneration is in compliance with the approved Remuneration Policy and describes the implementation of that Policy for the year under review. Shareholders will be presented with a resolution at the AGM in September 2020 which is to approve, on an advisory basis, the Remuneration Report for the year ended 30 April 2020.

When received, Shareholders' views in respect of Directors' Remuneration are communicated at the Company's AGM and are taken into account in formulating the Directors' Remuneration Policy.

EXISTING POLICY – APPLICABLE UNTIL 30 APRIL 2021

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

PROPOSED POLICY – APPLICABLE UNTIL 30 APRIL 2024 IF APPROVED BY SHAREHOLDERS

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

The only significant change to highlight to Shareholders as required by The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 is the potential for Directors to be paid additional sums in exceptional circumstances when they have performed duties substantially beyond what is ordinarily expected of them. This provision has always been available under the Company's Articles of Association.

REMUNERATION POLICY CONTINUED

The results of the Shareholder vote on the Directors' Implementation Report submitted to the 2019 Annual General Meeting and on Directors' Policy Report submitted to the 2017 Annual General Meeting were as follows:

	2019 AGM Implementation Report	2017 AGM Policy Report
Votes for	99.7% of votes cast	99.4% of votes cast
Votes against	0.3% of votes cast	0.6% of votes cast
Votes withheld	308,932	261,761

2019/20 FEES PAID

In the year under review the Directors' fees were paid at the following annual rates, the Chair £44,300; other Directors £28,400 with the Chair of the Audit Committee receiving an extra £5,000 and the Senior Independent Director receiving an extra £3,700 for performing such additional roles.

2020 FEE REVIEW

The Committee has carried out its annual review of fees paid to the Directors. While such a review will not necessarily result in any change to the rates the Committee believes that it is important that these reviews happen annually.

The Committee when considering fees favours modest annual increases rather than larger increases awarded at longer intervals but will not automatically increase fees every year. Having considered the Trust Associates 2019 Fee Review, a selection of peer comparisons and the increased level of input and responsibility the members of the Board have in relation to enhanced regulations and requirements, the Committee decided to implement the following increases with effect from 1 May 2020:

CHAIR

The annual fee for the Chair has been increased from to £44,300 to £46,500 pa. This is an increase of 4.9%.

CHAIR OF AUDIT COMMITTEE

The supplement for the Chair of the Audit Committee has been increased from £5,000 to £6,000. This is an increase of 20% and reflects the additional time required and responsibility of the Chair of the Audit Committee.

SENIOR INDEPENDENT DIRECTOR

The supplement for the Senior Independent Director has been increased from £3,700 to £4,000 This is an increase of 8.1%.

DIRECTORS

The annual fee for a Director has been increased from £28,400 to £30,000 pa. This is an increase of 5.6%. Directors' fees for the year ending 30 April 2021 are therefore expected to total £182,063 in aggregate. The maximum aggregate fees provided for in the Company's Articles of Association is £250,000.

The Board is 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.

OTHER FEES AND INCENTIVES

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

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

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

The taxable expenses comprise of travel and associated expenses incurred by the Directors attending the Board meetings held in London. The policy for claiming such expenses was not changed during the year.

SERVICE CONTRACTS

None of the Directors have a contract of employment and their letters of appointment constitute a contract for services. A Director may resign by giving one month's notice in writing to the Board at any time.

The Directors are not entitled to payment for loss of office. In accordance with recommended practice, each Director has received a letter setting out the terms of their appointment.

New Directors are appointed and elected with the expectation that they will serve for a period of at least three years. Each Director's appointment is reviewed and put to Shareholders annually.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE/INDEMNITY

Directors' and officers' liability insurance is held by the Company.

The Company has to the extent permitted by law and the Company's Articles of Association provided each Director with a Deed of Indemnity which, subject to the provisions of the Articles of Association and UK legislation, indemnifies the Director in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their position as Directors (excluding criminal and regulatory penalties). Directors' legal costs may be funded up-front provided they reimburse the Company if the individual is convicted or, in an action brought by the Company, judgement is given against him. These provisions were in force during the year and remain in force.

REMUNERATION IMPLEMENTATION REPORT – REMUNERATION PAID IN THE YEAR ENDED 30 APRIL 2020 (AUDITED)

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

	Year ended 30 April 2020			Year ended 30 April 2019		
	Fixed fee	Taxable expenses (Note 1)	Total Remuneration	Fixed fee	Taxable expenses (Note 1)	Total Remuneration
Sarah Bates (Chair)	£44,300	–	£44,300	£43,000	–	£43,000
Tim Cruttenden	£28,400	–	£28,400	£27,600	–	£27,600
Charlotta Ginman (Chair of the Audit Committee)	£33,400	–	£33,400	£31,200	–	£31,200
Peter Hames (Senior Independent Director)	£32,100	£1,337	£33,437	£31,200	£1,824	£33,024
Charles Park	£28,400	–	£28,400	£27,600	–	£27,600
Stephen White	£28,400	–	£28,400	£27,600	–	£27,600
TOTAL	£195,000	£1,337	£196,337	£188,200	£1,824	£190,024

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

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

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

Fee Rates:	Year to 30 April 2016	Year to 30 April 2017	Year to 30 April 2018	Year to 30 April 2019	Year to 30 April 2020
Chair	£39,500	£40,000 *+1.26%*	£41,500 *+3.8%*	£43,000 *+3.6%*	£44,300 *+3.0%*
Directors' fees	£25,500	£25,750 *+0.98%*	£26,800 *+4.1%*	£27,600 *+3.0%*	£28,400 *+2.9%*
Additional fees:					
Chair of the Audit Committee	£3,000	£3,000 *0%*	£3,500 +16.7%	£3,600 *+2.9%*	£5,000 *+38.9%*
Senior Independent Director	£3,000	£3,000 *0%*	£3,500 *+16.7%*	£3,600 *+2.9%*	£3,700 *+2.8%*

DIRECTORS' SHARE INTERESTS (AUDITED)

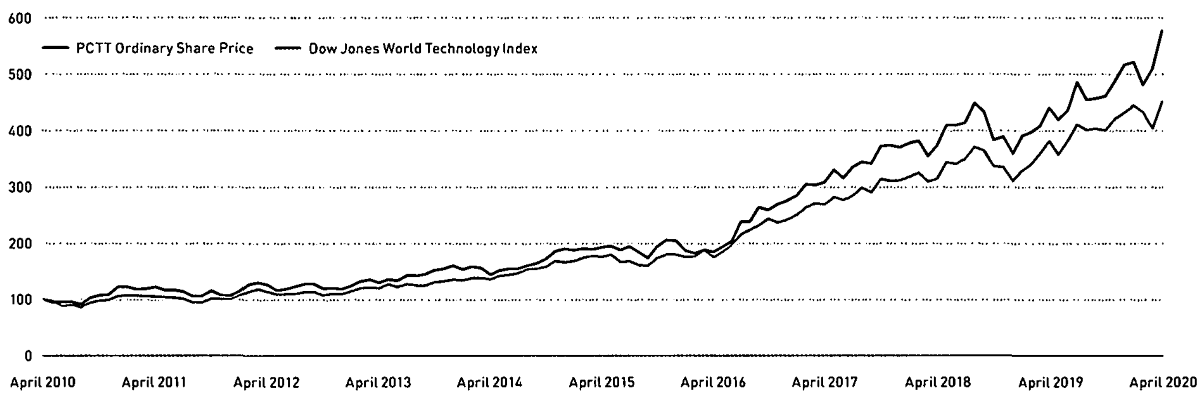
Neither the Company's Articles of Association nor the Directors' letters of appointment require Directors to hold shares in the Company. The interests in the ordinary shares of the Company of the Directors in office at 30 April 2020 and 30 April 2019 are as follows:

	Ordinary Shares	
	30 April 2020	30 April 2019
Sarah Bates (Chair)	10,500	10,500
Tim Cruttenden	1,000	1,000
Charlotta Ginman	4,941	4,458
Peter Hames*	3,000	6,000
Charles Park	1,840	–
Stephen White	10,000	10,000

* Retired 8 July 2020.

PERFORMANCE

The Regulations 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. The first period for which this graph was required was the year ended 30 April 2014; the graph is required to show the relevant period of five years. Each subsequent annual graph is required to increase by one year until the maximum relevant period of ten years is reached; thereafter the relevant period will continue to be ten years. The Dow Jones World Technology Index is shown because, as a market capitalisation weighted index based on the entire global technology sector, it is the most relevant benchmark.



RELATIVE IMPORTANCE OF SPEND ON PAY

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

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

Approved by the Board on 13 July 2020

Tim Cruttenden

Chairman of the Remuneration Committee and Senior Independent Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and 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 are required to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ('EU').

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 and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of its principal risks and uncertainties.

We consider 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.

SarahBates

Sarah Bates
Chair
13 July 2020

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 2020 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 Company's affairs as at 30 April 2020 and of its return for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 three financial years ended 30 April 2020. 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	£24.1m (2019: £20.3m)
	1% (2019: 1%) of Total Assets

Key audit matters		**vs 2019**
Recurring risks	Carrying amount of quoted investments	◀▶

2. KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matter (unchanged from 2019), in arriving at our audit opinion above together with our key audit procedures to address that matter and our findings from those procedures in order that the Company's members as a body may better understand the process by which we arrived at our audit opinion. This matter was addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	Our response
Carrying amount of quoted investments £2,218m; 2019: (£1,803m) Refer to page 69 (Audit Committee Report), page 92 (accounting policy) and page 100 (financial disclosures).	**Low risk high value:** The Company's portfolio of quoted investments makes up 92% (April 2019: 89%) of the Company's total assets (by value), and is considered to be one of the key drivers of results. We do not consider the valuation of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement, because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas having the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedures included: - **Tests of detail:** Agreeing the valuation of 100 per cent of quoted investments in the portfolio to externally quoted prices; and; - **Enquiry of depositary:** Agreeing 100 per cent of investment holdings in the portfolio to independently received third party confirmation from the depositary. **Our findings:** We found no differences from holdings confirmations or externally quoted prices of a size to require reporting to the Audit Committee (2019: We found no differences from holdings confirmations or externally quoted prices of a size to require reporting to the Audit Committee).

3. OUR APPLICATION OF MATERIALITY

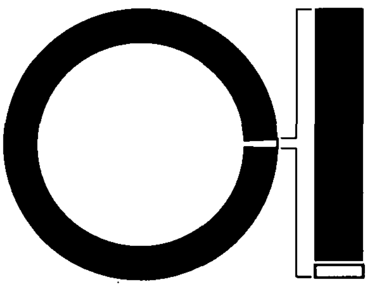
Materiality for the financial statements as a whole was set at £24.1m (2019: £20.3m), determined with reference to a benchmark of Total Assets, of which it represents 1% (2019: 1%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1.20m (2019: £1.02m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

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

Total Assets
£2,416m (2019: £2,034m)

Materiality
£24.1m (2019: £20.3m)



£24.1m
Whole financial statements materiality
(2019: £20.3m)

£1.20m
Misstatements reported to the Audit Committee
(2019: £1.02m)

■ Total Assets
□ Materiality

4. WE HAVE NOTHING TO REPORT ON 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').

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional procedures.

Based on this work, we are required to report to you if:

— we have anything 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 a period of at least twelve months from the date of approval of the financial statements; or

— the related statement under the Listing Rules set out on page 49 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

INDEPENDENT AUDITOR'S REPORT CONTINUED

5. 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

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Principal Risks and Uncertainties disclosure on pages 43 to 45 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 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.

Under the Listing Rules we are required to review the Viability Statement. We have nothing to report in this respect.

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 judgments 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 report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and 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; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. 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.

7. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 79, 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 other irregularities (see below), 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, other irregularities 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.

Irregularities – ability to detect

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, through discussion with the Directors, the manager and the administrator (as required by auditing standards), from inspection of the company's regulatory and legal correspondence and discussed with the Directors, the manager and the administrator the policies and procedures regarding compliance with laws and regulations. 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), and its qualification as an Investment Trust under UK tax 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: the Listing Rules and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors, the Manager and the Administrator and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify any actual or suspected non-compliance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

John Waterson (Senior Statutory Auditor)

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

Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

13 July 2020

EXPONENTIAL CHANGE

Television adoption followed a classic S-curve with US household penetration more than tripling between 1950–52. By 1962, c.90% of US households owned a TV – almost identical to US internet penetration today. As with TV once it became pervasive, so the Internet is likely to transform the world in ways that we will struggle to fully comprehend today.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2020

		Year ended 30 April 2020			Year ended 30 April 2019		
	Notes	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	3	15,761	–	15,761	11,965	–	11,965
Other operating income	4	1,125	–	1,125	1,105	–	1,105
Gains on investments held at fair value	5	–	348,118	348,118	–	393,226	393,226
Gains on derivatives	6	–	13,214	13,214	–	1,470	1,470
Other currency gains	7	–	5,251	5,251	–	1,913	1,913
Total income		16,886	366,583	383,469	13,070	396,609	409,679
Expenses							
Investment management fee	8	(18,273)	–	(18,273)	(15,341)	–	(15,341)
Performance fee	8	–	(1,050)	(1,050)	–	(6,644)	(6,644)
Other administrative expenses	9	(951)	–	(951)	(1,140)	–	(1,140)
Total expenses		(19,224)	(1,050)	(20,274)	(16,481)	(6,644)	(23,125)
(Loss)/profit before finance costs and tax		(2,338)	365,533	363,195	(3,411)	389,965	386,554
Finance costs	10	(1,260)	–	(1,260)	(1,090)	–	(1,090)
(Loss)/profit before tax		(3,598)	365,533	361,935	(4,501)	389,965	385,464
Tax	11	(1,833)	–	(1,833)	(1,827)	–	(1,827)
Net (loss)/profit for the year and total comprehensive (expense)/income		(5,431)	365,533	360,102	(6,328)	389,965	383,637
(Losses)/earnings per share (basic and diluted) (pence)	12	(4.06)	273.12	269.06	(4.73)	291.41	286.68

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

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

All items in the above statement derive from continuing operations.

The Company does not have any other comprehensive income.

The Notes on pages 90 to 114 form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020

	Notes	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Special non-distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 30 April 2018		33,449	12,802	157,477	7,536	1,428,230	(87,883)	1,551,611
Total comprehensive income/(expense):								
Profit/(loss) for the year to 30 April 2019		–	–	–	–	389,965	(6,328)	383,637
Transactions with owners, recorded directly to equity:								
Issue of ordinary shares	18, 20	7	–	391	–	–	–	398
Total equity at 30 April 2019		**33,456**	**12,802**	**157,868**	**7,536**	**1,818,195**	**(94,211)**	**1,935,646**
Total comprehensive income/(expense):								
Profit/(loss) for the year to 30 April 2020		–	–	–	–	**365,533**	**(5,431)**	**360,102**
Transactions with owners, recorded directly to equity:								
Issue of ordinary shares	18, 20	**185**	–	**12,664**	–	–	–	**12,849**
Total equity at 30 April 2020		**33,641**	**12,802**	**170,532**	**7,536**	**2,183,728**	**(99,642)**	**2,308,597**

The Notes on pages 90 to 114 form part of these Financial Statements.

BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	30 April 2020 £'000	30 April 2019 £'000
Non-current assets			
Investments held at fair value through profit or loss	13	2,218,307	1,803,242
Current assets			
Receivables	14	47,186	36,494
Overseas tax recoverable		94	69
Cash and cash equivalents	15	146,677	194,544
Derivative financial instruments	13	3,391	150
		197,348	231,257
Total assets		2,415,655	2,034,499
Current liabilities			
Payables	16	(50,034)	(44,775)
Bank loans	17	(57,024)	–
Bank overdraft	15	–	(391)
		(107,058)	(45,166)
Non-current liabilities			
Bank loans	17	–	(53,687)
Net assets		2,308,597	1,935,646
Equity attributable to equity Shareholders			
Share capital	18	33,641	33,456
Capital redemption reserve	19	12,802	12,802
Share premium	20	170,532	157,868
Special non-distributable reserve	21	7,536	7,536
Capital reserves	22	2,183,728	1,818,195
Revenue reserve	23	(99,642)	(94,211)
Total equity		2,308,597	1,935,646
Net asset value per ordinary share (pence)	25	1715.59	1446.40

The Financial Statements, on pages 86 to 114, were approved and authorised for issue by the Board of Directors on 13 July 2020 and signed on its behalf by:

Sarah Bates

Sarah Bates
Chair

The Notes on pages 90 to 114 form part of these Financial Statements.

Registered number 3224867

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Profit before tax		361,935	385,464
Adjustments:			
Gains on investments held at fair value through profit or loss	5	(348,118)	(393,226)
Gains on derivative financial instruments	6	(13,214)	(1,470)
Proceeds of disposal on investments		1,803,352	1,228,104
Purchases of investments		(1,862,499)	(1,145,393)
Proceeds on disposal of derivative financial instruments	13	66,075	23,134
Purchases of derivative financial instruments	13	(56,102)	(19,445)
Increase in receivables		(241)	(329)
Decrease in payables		(9,444)	(773)
Overseas tax		(1,858)	(1,877)
Foreign exchange gains	7	(5,251)	(1,913)
Net cash (used in)/generated from operating activities		(65,365)	72,276
Cash flows from financing activities			
Loans repaid	17	–	(36,471)
Loans drawn	17	–	52,847
Issue of ordinary shares		9,301	398
Net cash generated from financing activities		9,301	16,774
Net (decrease)/increase in cash and cash equivalents		(56,064)	89,050
Cash and cash equivalents at the beginning of the year		194,153	101,156
Effect of movement in foreign exchange rates on cash held	7	8,588	3,947
Cash and cash equivalents at the end of the year	15	146,677	194,153

	Notes	2020 £'000	2019 £'000
Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:			
Cash at bank	15	109,715	194,153
BlackRock's Institutional Cash Series plc (US Treasury Fund), money market fund	15	36,962	–
Cash and cash equivalents at the end of the year	15	146,677	194,153

The Notes on pages 90 to 114 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

1. GENERAL INFORMATION

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

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

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and IFRIC guidance.

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 October 2019 is consistent with the requirements of IFRS, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP.

Following the guidance of the revised SORP, issued in October 2019, the presentation of gains and losses arising from disposals of investments and gains and losses on revaluation of investments have now been combined, as shown in Note 13 with no impact to the net asset value or profit/(loss) reported for both the current or prior year. No other accounting policies or disclosures have changed as a result of the revised SORP.

The financial position of the Company as at 30 April 2020 is shown in the balance sheet on page 88. As at 30 April 2020 the Company's total assets exceeded its total liabilities by a multiple of over 22. 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 39 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 2 October 2020. The Directors have considered a detailed assessment of the Company's ability to meet its liabilities as they fall due. The assessment took account of the Company's current financial position, its cash flows and its liquidity position. In addition to the assessment the Company carried out stress testing, including for the impact of COVID-19, which used a variety of falling parameters to demonstrate the effects in the Company's share price and net asset value. In light of the results of these tests, the Company's cash balances, and the liquidity position, the Directors consider that the Company has adequate financial resources to enable it to continue in operational existence. Further, based on the Company's performance and the views collated from Shareholders, the Board is in agreement that the continuation vote does not impact the Company's ability to prepare the Financial Statements on a going concern basis. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company's Financial Statements.

(B) PRESENTATION OF STATEMENT OF COMPREHENSIVE INCOME

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

(C) INCOME

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

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

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

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

Unfranked income includes the taxes deducted at source.

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

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

(D) EXPENSES AND FINANCE COSTS

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

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

- any performance fees payable are allocated wholly to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance.
- transaction costs incurred on the acquisition or disposal of investments are expensed either as part of the unrealised gain/loss on investments (for acquisition costs) or as a deduction from the proceeds of sale (for disposal costs).

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

(E) TAXATION

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES CONTINUED

(F) INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

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

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

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

(G) RECEIVABLES

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

(H) CASH AND CASH EQUIVALENTS

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

The Company's investment in BlackRock's Institutional Cash Series plc – US Treasury Fund of £36,962,000 (2019: nil) is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

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

(I) PAYABLES

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

(J) BANK LOANS

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

(K) DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

(L) RATES OF EXCHANGE

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

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

(M) SHARE CAPITAL

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

(N) CAPITAL RESERVES

Capital reserves - gains/losses on disposal includes:

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

Capital reserve - revaluation on investments held includes:

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

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

(O) 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

2. ACCOUNTING POLICIES CONTINUED

(P) 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.

(Q) 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.

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, such investments represent less than 0.01% of net assets and consequently, the Board does not believe these to represent an area of significant judgement or estimation.

(R) NEW AND REVISED ACCOUNTING STANDARDS

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

The following standards became effective on 1 January 2019 and the adoption of the standards and interpretations have not had a material impact on the Financial Statements of the Company.

IFRS 16 Leases

As the Company neither holds, trades or has any lease obligations of any type, the provisions of this standard are not expected to have a material impact on the Financial Statements.

IFRS 9 (Amended) Prepayment Features with Negative Compensation

Negative compensation arises where the contractual terms permit a borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. The Company has no such terms in any of its loan agreements in place and the amendment are not expected to have any impact on the Financial Statements.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation provides guidance on considering uncertain tax treatments in relation to taxable profit or loss and does not add any new disclosures. The Company complies with all relevant tax laws where applicable and the provisions of this interpretation are not expected to have a material impact on the Financial Statements.

IAS 19 (amended) Employee Benefits

As the Company has no employees, the amendment to this standard are not expected to have any impact on the Financial Statements.

IAS 28 (amended) Investments in Associates and Joint Ventures

As the Company has no investment in associates or joint ventures, the amendment to this standard are not expected to have any impact on the Financial Statements.

Annual Improvement Cycles 2015-2017 (Amendments)

This makes narrow-scope amendments to four IFRS Standards: IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Incomes Taxes and IAS 23 Borrowing costs. These limited amendments are not expected to have any impact on the Financial Statements.

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

Effective for periods commencing on or after 1 January 2020:

IFRS 3 Business Combinations (amended)

The IASB has made narrow-scope amendments to improve the definition of a business in order to help companies determine whether an acquisition made is of a business or a group of assets. These amendments are not expected to have any impact on the Financial Statements.

IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform (amended)

The IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. These amendments are not expected to have any impact on the Financial Statements.

IAS 1 and IAS 8 Definition of Material (amended)

The definition of material has been amended to state that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity." This new definition is not expected to change how materiality judgements are currently made by the Company nor have any impact to the material information inclusive in the Annual Report.

References to the Conceptual Framework in IFRS Standards (amended)

The Amendments to References to the Conceptual Framework in IFRS Standards was issued to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. This amendment is not expected to have any impact to the Financial Statements.

Effective for periods commencing on or after 1 January 2021:

IFRS 17 Insurance Contracts

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

3 INVESTMENT INCOME

Revenue:	**Year ended 30 April 2020 £'000**	**Year ended 30 April 2019 £'000**
Franked: Listed investments		
Dividend income	21	76
Unfranked: Listed investments		
Dividend income	15,740	11,889
	15,761	11,965

All investment income is derived from listed investments.

4 OTHER OPERATING INCOME

	Year ended 30 April 2020 £'000	**Year ended 30 April 2019 £'000**
Bank interest	772	1,099
Money market fund interest	353	–
Other income	–	6
	1,125	1,105

5 GAINS ON INVESTMENTS HELD AT FAIR VALUE

	Year ended 30 April 2020 £'000	**Year ended 30 April 2019 £'000**
Net gains on disposal of investments at historic cost	292,086	291,338
Transfer on disposal of investments	(258,368)	(197,726)
Gains on disposal of investments based on carrying value at previous balance sheet date	33,718	93,612
Valuation gains on investments held during the year	314,400	299,614
	348,118	393,226

6 GAINS ON DERIVATIVES

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Gains on disposal of derivatives held	28,339	2,361
Losses on revaluation of derivatives held	(15,125)	(891)
	13,214	1,470

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. As at 30 April 2020, the Company held NASDAQ 100 Stock Index put options and the market value of the open put option position was £2,668,000 (2019: NASDAQ 100 Stock Index put options with a market value of £150,000). As at 30 April 2020, the Company held Intel Corporation call options and the market value of the open call option position was £723,000 (2019: No call option was held).

7 OTHER CURRENCY GAINS

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Exchange gains on currency balances	8,588	3,947
Exchange losses on settlement of loan balances	–	(5,850)
Exchange (losses)/gains on translation of loan balances	(3,337)	3,816
	5,251	1,913

8 INVESTMENT MANAGEMENT AND PERFORMANCE FEE

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Investment management fee paid to Polar Capital (charged wholly to revenue)	18,273	15,341
Performance fee paid to Polar Capital (charged wholly to capital)	1,050	6,644

The new investment management agreement which came into effect on 1 May 2019 includes a reduction in the base management fee above certain sizes of net asset value and a reduced percentage of outperformance payable to the Manager. In addition, the cap on any such performance fee payable was also reduced. The basis for calculating the investment management and performance fees are set out in the Strategic Report on pages 46 and 47 and details of all amounts payable to the Manager are given in Note 24 on page 106.

The management fee and performance fee for year ended 30 April 2019 were calculated based on the fee basis prior to 1 May 2019, the details of which is set out in the Annual Report for the year ended 30 April 2019.

The quarterly investment management fee is calculated on the net asset value on the last day of the prior quarter. The increase in the management fee for the year ended 30 April 2020 is mainly due to the 19% increase in net asset value which took place over the year to 30 April 2020.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

9 OTHER ADMINISTRATIVE EXPENSES

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Directors' fees[1]	196	190
National Insurance Contributions	16	14
Depositary fee[2]	160	137
Registrar fee	46	47
Custody and other bank charges[3]	219	159
UKLA and LSE listing fees	96	83
Legal & professional fees and other financial services[4]	12	35
AIC fees	21	21
Auditors' remuneration - for audit of the Financial Statements	35	25
Directors' and officers' liability insurance	9	9
AGM expenses	10	10
Corporate brokers' fee[5]	37	56
PR, website and marketing expenses[6]	–	43
Shareholder communications	44	49
Research costs[6]	–	238
Other expenses	50	24
	951	1,140

1 Full disclosure is given in the Directors' Remuneration Report on page 77.

2 Depositary fee is based on the value of the net assets. The net assets increased by 19% during the year under review.

3 Fee determined on the pre-approved rate card with HSBC and the additional custody charge relates to the Money Market Fund which came into effect 1 October 2019.

4 Prior year includes costs relating to the new fee arrangements and the arrangement of the new loan facilities.

5 Prior year includes costs relating to the review of the new fee arrangements.

6 The new investment management agreement which came into effect from 1 May 2019, included removal of any contribution by the Company to research costs and reduction in marketing spend by the Company. Details of the investment management agreement are disclosed in the Strategic Report on pages 46 and 47.

10 FINANCE COSTS

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Interest on loans and overdrafts	1,212	954
Loan facility fees	48	136
	1,260	1,090

11 TAXATION

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
a) Analysis of tax charge for the year:		
Overseas tax	1,833	1,827
Total tax for the year (see Note 11b)	1,833	1,827
b) Factors affecting tax charge for the year:		
The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:		
Profit before tax	361,935	385,464
Tax at the UK corporation tax rate of 19%	68,768	73,238
Tax effect of non-taxable dividends	(2,995)	(2,273)
Tax effect of gains on investments that are not taxable	(69,651)	(75,356)
Unrelieved current year expenses and deficits	3,878	4,391
Overseas tax suffered	1,833	1,827
Total tax for the year (see Note 11a)	1,833	1,827
c) Factors that may affect future tax charges:		
There is an unrecognised deferred tax asset comprising:		
Unrelieved management expenses	36,537	30,122
Non-trading deficits	1,006	877
	37,543	30,999

The deferred tax asset is based on a prospective corporation tax rate of 19% (2019: 17%).

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

12 (LOSSES)/EARNINGS PER ORDINARY SHARE

	Year ended 30 April 2020			Year ended 30 April 2019		
	Revenue return	Capital return	Total return	Revenue return	Capital return	Total return
The calculation of basic earnings per share is based on the following data:						
Net (loss)/profit for the year (£'000)	(5,431)	365,533	360,102	(6,328)	389,965	383,637
Weighted average ordinary shares in issue during the year	133,837,576	133,837,576	133,837,576	133,821,384	133,821,384	133,821,384
From continuing operations						
Basic and diluted – ordinary shares (pence)	(4.06)	273.12	269.06	(4.73)	291.41	286.68

As at 30 April 2020 there are no potentially dilutive shares in issue and the earnings per share therefore equate to those shown above (2019: there was no dilution).

13 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

(I) INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS*

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Opening book cost	1,207,102	997,079
Opening investment holding gains	596,140	494,252
Opening fair value	1,803,242	1,491,331
Analysis of transactions made during the year		
Purchases at cost	1,877,202	1,173,313
Sales proceeds received	(1,810,255)	(1,254,628)
Gains on investments held at fair value	348,118	393,226
Closing fair value	2,218,307	1,803,242
Closing book cost	1,566,135	1,207,102
Closing investment holding gains	652,172	596,140
Closing fair value	2,218,307	1,803,242
Of which:		
Listed on a recognised Stock Exchange	2,218,255	1,803,187
Unquoted	52	55

The Company received £1,810,255,000 (2019: £1,254,628,000) from disposal of investments in the year. The book cost of these investments when they were purchased were £1,518,169,000 (2019: £963,290,000). 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 £911,000 (2019: £571,000). Included in proceeds of disposals are sales costs of £960,000 (2019: £639,000). These costs primarily comprise commission.

* Note13(i), including the prior year, has been updated in accordance with the presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in October 2019.

(II) CHANGES IN DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Valuation at 1 May	150	2,369
Additions at cost	56,102	19,445
Proceeds of disposal	(66,075)	(23,134)
Gains on disposal	28,339	2,361
Valuation losses	(15,125)	(891)
Valuation at 30 April	3,391	150

(III) CLASSIFICATION UNDER FAIR VALUE HIERARCHY:

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

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

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

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

The valuation techniques used by the company are explained in the accounting policies Note on page 92.

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

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Equity Investments and derivative financial instruments		
Level 1	2,221,646	1,803,337
Level 2	–	–
Level 3	52	55
	2,221,698	1,803,392

Level 3 investments at fair value through profit or loss	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Opening balance	55	91
Distribution proceeds	(12)	(11)
Total gains/(losses) included in the Statement of Comprehensive Income – on assets held at the year end	9	(25)
Closing balance	52	55

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

13 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS CONTINUED

(iv) Unquoted investments

As at 30 April 2020, the portfolio comprised one unquoted investment, which was valued at £52,000 (2019: £55,000):

	30 April 2020 £'000	30 April 2019 £'000
Herald Ventures Limited Partnership	52	55
	52	55

During the year Herald Ventures Limited Partnership distributed £12,000 (2019: £11,000).

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

A +/- 10% change in the price used to value the investments as at the year end would result in a +/- £5,000 (2019: +/- £6,000) impact to the capital return of the profit & loss.

The investment held in Herald Ventures Limited is valued semi-annually by the Polar Capital Valuation Committee on the recommendation of the Manager.

The most recent valuation was carried out on 30 April 2020, the valuation principle remained as used in previous years, being the Herald Ventures valuation less a 25% public value discount applied to the underlying publicly traded investments of Herald Ventures. The Board believe this to be an appropriate way in which to value an unquoted investment.

14 RECEIVABLES

	30 April 2020 £'000	30 April 2019 £'000
Issued ordinary shares awaiting settlement	3,548	–
Sales for future settlement	41,805	34,902
Prepayments and accrued income	1,826	1,574
VAT recoverable	7	18
	47,186	36,494

The carrying values of other receivables approximate their fair value.

15 CASH AND CASH EQUIVALENTS

	30 April 2020 £'000	30 April 2019 £'000
Cash at bank	109,715	194,544
Money market funds	36,962	–
Cash and cash equivalents	146,677	194,544
Bank overdraft	–	(391)
	146,677	194,153

As at 30 April 2020, the Company held BlackRock's Institutional Cash Series plc – US Treasury Fund with a market value of £36,962,000 (2019: nil), which is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

16 PAYABLES

	30 April 2020 £'000	30 April 2019 £'000
Purchases for future settlement	48,665	33,962
Accruals	1,369	10,813
	50,034	44,775

The carrying values of other payables approximate their fair value.

17 BANK LOANS

I) BANK LOANS

	30 April 2020 £'000	*30 April 2019 £'000*
The Company has the following unsecured Japanese Yen and US Dollar loans:		
JPN¥5,200m at a rate of 0.8% repayable 2 October 2020	38,552	35,814
US$23.3m at a rate of 4.235% repayable 2 October 2020	18,472	17,873
	57,024	53,687

The bank loans held at the year end are a Japanese Yen 5.2 billion and a US Dollar 23.3 million two-year fixed rate term loan with ING Bank N.V. The loans are unsecured but are subject to certain undertakings and restrictions, all of which have been complied with during the year. These loans are stated at amortised cost.

The Company's one-year revolving credit facility of US Dollar 46.6 million with ING Bank N.V. which expired on 2 October 2019, has not been renewed since.

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 2020 £'000	30 April 2019 £'000
Bank loans held as at 30 April 2019	53,687	35,277
Loan repaid	-	(36,471)
Loan drawn	-	52,847
Exchange losses on settlement of loan balances	-	5,850
Effect of changes in foreign exchange rates on bank loans held	3,337	(3,816)
Bank loans held as at 30 April 2020	57,024	53,687

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 gains'.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

18 SHARE CAPITAL

	30 April 2020 £'000	30 April 2019 £'000
Allotted, Called up and Fully paid:		
Ordinary shares of 25p each		
Opening balance of 133,825,000 (2019: 133,795,000)	33,456	33,449
Issue of 741,000 (2019: 30,000) ordinary shares	185	7
Allotted, called up and fully paid: 134,566,000 (2019: 133,825,000) ordinary shares of 25p	33,641	33,456
At 30 April 2020	33,641	33,456

During the year a total of 741,000 ordinary shares (2019: 30,000 ordinary shares), nominal value £185,000 (2019: nominal value £7,000) were issued to the market to satisfy demand, at an average price of 1,734.01p per share, for a total net consideration received of £12,849,000 (2019: £398,000).

Subsequent to the year end, and to 10 July 2020 (latest practicable date), 2,699,000 ordinary shares were issued at an average price of 1,941.48p per share.

This reserve is not distributable.

19 CAPITAL REDEMPTION RESERVE

	30 April 2020 £'000	30 April 2019 £'000
As at 1 May 2019	12,802	12,802
As at 30 April 2020	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 2020 £'000	30 April 2019 £'000
As at 1 May 2019	157,868	157,477
Issue of 741,000 (2019: 30,000) ordinary shares	12,664	391
As at 30 April 2020	170,532	157,868

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 2020 £'000	30 April 2019 £'000
As at 1 May 2019	7,536	7,536
As at 30 April 2020	7,536	7,536

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

This reserve is not distributable.

22 CAPITAL RESERVES

	Capital* reserve - gains/losses on disposal 30 April 2020 £'000	Capital** reserve - revaluation 30 April 2020 £'000	Total capital reserves 30 April 2020 £'000	Capital reserve - gains/losses on disposal 30 April 2019 £'000	Capital reserve - revaluation 30 April 2019 £'000	Total capital reserves 30 April 2019 £'000
As at 1 May 2019	1,225,063	593,132	1,818,195	939,911	488,319	1,428,230
Net gains on disposal of investments	33,718	–	33,718	93,612	–	93,612
Transfer on disposal of investments	258,368	(258,368)	–	197,726	(197,726)	–
Valuation gains on investments held during the year	–	314,400	314,400	–	299,614	299,614
Net gains/(losses) on derivative contracts	28,339	(15,125)	13,214	2,361	(891)	1,470
Performance fee allocated to capital	(1,050)	–	(1,050)	(6,644)	–	(6,644)
Exchange gains on currency balances	8,588	–	8,588	3,947	–	3,947
Exchange losses on settlement of loan balances	–	–	–	(5,850)	–	(5,850)
Exchange (losses)/gains on translation of loan balances	–	(3,337)	(3,337)	–	3,816	3,816
As at 30 April 2020	1,553,026	630,702	2,183,728	1,225,063	593,132	1,818,195

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

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

23 REVENUE RESERVE

	30 April 2020 £'000	30 April 2019 £'000
As at 1 May 2019	(94,211)	(87,883)
Loss for the year to 30 April	(5,431)	(6,328)
As at 30 April 2020	(99,642)	(94,211)

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

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 2020 were £18,273,000 (2019: £15,341,000) of which £nil (2019: £3,876,000) was outstanding at the year end.

A performance fee amounting to £1,050,000 (2019: £6,644,000) is payable in respect of the year, and the whole of this amount (2019: same) was outstanding at the year end.

In addition, the total research costs in respect of the year ended 30 April 2020 were £nil (2019: £238,000) of which £nil (2019: £nil) was outstanding at the year end.

The new investment management agreement which came into effect from 1 May 2019 agreed the removal of any contribution by the Company to research costs; a reduction in the marketing costs payable by the Company with the Manager contributing the first £100,000 per annum to such; a reduction in the base management fee above certain sizes of net asset value; a reduced percentage of outperformance payable to the Manager; a reduction in the cap on any such performance fee payable. Details of the revised terms of the investment management agreement are provided in the Strategic Report on pages 46 and 47.

(B) RELATED PARTY TRANSACTIONS

The compensation payable to key management personnel in respect of short term employee benefits is £196,000 (2019: £190,000) which comprises £196,000 ((2019: £190,000) paid by the Company to the Directors.

Refer to pages 74 to 78 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 2020	**30 April 2019**
Undiluted:		
Net assets attributable to ordinary Shareholders (£'000)	2,308,597	1,935,646
Ordinary shares in issue at end of year	134,566,000	133,825,000
Net asset value per ordinary share (pence)	1715.59	1446.40

As at 30 April 2020, there were no potentially dilutive shares in issue (2019: 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 2020 by geographical segment and the related investment income earned during the year to 30 April 2020 is noted below:

	30 April 2020 Value of investments £'000	Year ended 30 April 2020 Gross income £'000	30 April 2019 Value of investments £'000	Year ended 30 April 2019 Gross income £'000
North America	1,638,268	7,679	1,330,205	6,613
Europe	109,813	568	122,761	769
Asia Pacific (inc. Middle East)	470,226	7,514	350,276	4,583
Total	2,218,307	15,761	1,803,242	11,965

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 39. 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.

27 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS CONTINUED

(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 35 to 38. 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 £3,391,000 (2019: £150,000).

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 2020 £'000	30 April 2019 £'000
Non-current asset investments at fair value through profit or loss	2,218,307	1,803,242
Derivative financial instruments at fair value through profit or loss	3,391	150
	2,221,698	1,803,392

An analysis of the Company's portfolio is shown on pages 32 and 33.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the value of Shareholders' funds to an increase or decrease of 15% (2019:15%) in the fair values of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions and historic trends. The sensitivity analysis is based on the Company's investments at each balance sheet date, with all other variables held constant.

	30 April 2020 £'000		30 April 2019 £'000	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Revenue return	(2,333)	2,333	(2,164)	2,164
Capital return	333,255	(333,255)	270,509	(270,509)
Change to the profit after tax for the year	330,922	(330,922)	268,345	(268,345)
Change to Shareholders' funds	330,922	(330,922)	268,345	(268,345)
Change to NAV per share (pence)	245.92	(245.92)	200.52	(200.52)

(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.

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 2020 £'000	30 April 2019 £'000
Monetary Assets:		
Cash and short term receivables		
US Dollars	115,087	156,289
Japanese Yen	53,279	37,266
Euros	13,603	13,153
Polish Zloty	2,234	–
Korean Won	382	320
Taiwan Dollars	327	7,400
Hong Kong Dollars	–	8,255
Canadian Dollars	–	6,900
Indian Rupee	–	36
Monetary Liabilities:		
Payables		
US Dollars	(39,482)	(30,206)
Japanese Yen	(9,828)	(22)
Taiwan Dollars	(2,149)	(2,174)
Euros	(9)	(4,209)
Bank Loans:		
US Dollars	(18,472)	(17,873)
Japanese Yen	(38,552)	(35,814)
Foreign currency exposure on net monetary items	76,420	139,321
Non-Monetary Items:		
Investments at fair value through profit or loss that are equities		
US Dollars	1,754,556	1,427,949
Japanese Yen	146,071	106,856
Hong Kong Dollars	81,867	55,788
Korean Won	69,603	63,247
Taiwan Dollars	68,759	55,083
Euros	68,043	75,110
Norwegian Krone	3,992	–
Swedish Kroner	1,899	1,858
Polish Zloty	–	6,768
Investments at fair value through profit or loss that are derivatives		
US Dollars	3,391	150
Total net foreign currency exposure	2,274,601	1,932,130

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 APRIL 2020

27 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS CONTINUED

(a) **Market Risk** continued

Foreign currency exchange rate movement

During the financial year Sterling depreciated by 3.2% (2019: depreciated by 5.3%) against the US Dollar, depreciated by 7.1% (2019: depreciated by 3.7%) against the Japanese Yen, depreciated by 1.0% (2019: appreciated by 2.0%) against the Euro, depreciated by 4.4% (2019: depreciated by 5.4%) against the Hong Kong Dollar, appreciated by 0.9% (2019: appreciated by 3.5%) against the Korean Won and depreciated by 6.9% (2019: depreciated by 1.2%) against the Taiwan Dollar.

Foreign currency sensitivity

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

Based on the year end position, if Sterling had depreciated, by a further 10% (2019: 10%), against the currencies shown, this would have the following effect:

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

	30 April 2019 £'000					
	US Dollar	Euro	Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income – profit/loss after tax						
Revenue return	531	23	156	16	176	155
Capital return	170,701	9,339	12,032	7,116	7,063	6,701
Change to the profit/loss after tax for the year	171,232	9,362	12,188	7,132	7,239	6,856
Change to Shareholders' funds	171,232	9,362	12,188	7,132	7,239	6,856

Based on the year end position, if Sterling had appreciated, by a further 10% (2019: 10%), against the currencies shown, this would have the following effect:

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

	30 April 2019 £'000					
	US Dollar	Euro	Yen	Hong Kong Dollar	Korean Won	Taiwan Dollar
Statement of Comprehensive Income – profit/loss after tax						
Revenue return	(435)	(19)	(127)	(13)	(144)	(127)
Capital return	(139,664)	(7,641)	(9,844)	(5,822)	(5,779)	(5,483)
Change to the profit/loss after tax for the year	(140,099)	(7,660)	(9,971)	(5,835)	(5,923)	(5,610)
Change to Shareholders' funds	(140,099)	(7,660)	(9,971)	(5,835)	(5,923)	(5,610)

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

(iii) Interest Rate Risk

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

All cash balances earn interest at a variable rate.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

27 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS CONTINUED

(a) Market Risk continued

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 2020 £'000			30 April 2019 £'000		
	Within one year	More than one year	Total	Within one year	More than one year	Total
Exposure to floating interest rates:						
Cash and cash equivalents	109,715	–	109,715	194,153	–	194,153
Money market funds	36,962	–	36,962	–	–	–
Exposure to fixed interest rates:						
Bank loan	(57,024)	–	(57,024)	–	(53,687)	(53,687)
Total exposure to interest rates	89,653	–	89,653	194,153	(53,687)	140,466

As at year ended 30 April 2020, the Company held two-year fixed rate term loan of JPN ¥ 5.2 billion and US$ 23.3 million from ING Bank N.V. The Japanese Yen loan carries an interest rate of 0.80% (2019: 0.80%) per annum and the US Dollar loan carries an interest rate of 4.235% (2019: 4.235%) per annum respectively. Both of the loans will be expiring on 2 October 2020.

The Company's one-year revolving credit facility of US Dollar 46.6 million with ING Bank N.V. expired on 2 October 2019, has not been renewed since.

Interest rate sensitivity

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

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

	30 April 2020 £'000	30 April 2019 £'000
Statement of Comprehensive Income – profit/loss after tax		
Revenue return	224	351
Capital return	–	–
Change to the profit/loss after tax for the year	224	351
Change to Shareholders' funds	224	351

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 2020 £'000	30 April 2019 £'000
Due within 1 month:		
Balances due to brokers	48,665	33,962
Accruals	1,284	10,732
Bank overdraft	-	391
Due after 3 months and within 1 year:		
Bank loan	57,581	-
Due after 1 year and within 2 years:		
Bank loan	-	55,281

(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 2020 was £193,807,000 (2019: £231,011,000) comprising:

	30 April 2020 £'000	30 April 2019 £'000
Balances due from brokers	41,805	34,902
Accrued income	1,777	1,565
Issued ordinary shares awaiting settlement	3,548	-
Cash at bank	109,715	194,544
Money market funds	36,962	-
	193,807	231,011

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 2020 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

27 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS CONTINUED

(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 39.

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

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global health emergency on the 30 January 2020, which has caused disruption to economic activity and brought increased market volatility across many of the global stock markets. Subsequent to the year end, the global stock markets continue to experience substantial fluctuations associated with uncertainties linked to the COVID-19 pandemic. The Board and Investment Manager continue to monitor developments relating to COVID-19 and the impact on investment performance in line with the investment objectives. As at 10 July 2020 (the latest practicable date), the Company's unaudited net asset value as at the close of business has risen by 23.1%.

Polar Capital, the appointed Investment Manager, is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

Subsequent to the year end, and to 10 July 2020, 2,699,000 ordinary shares were issued at an average price of 1,941.48p 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.

INFORMATION FOR SHAREHOLDERS

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. 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.

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

There are a variety of ways to invest in the Company. However, this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

Private Client Stockbrokers – generally for investors with a large lump sum to invest, a private client stockbroker will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from The Personal Investment Management & Financial Advice Association (PIMFA) at www.pimfa.co.uk

Financial Advisers – carry out the share transactions for their clients, they can do this directly but also via a growing number of platforms that offer investment trusts including Interactive Investor, Ascentric, 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 – these provide a real time execution only service which allows private investors to trade online for themselves, manage a portfolio and buy UK listed shares. Online stockbroking services include Interactive Investor, Barclays Stockbrokers, Halifax Share Dealing, Hargreaves Lansdown, Selftrade and TD Direct investing.

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. Further details can be obtained from the Shareview website or by calling the Shareholder helpline on 0371 384 2476, or from overseas on +44 (0) 121 415 7047.

RISKS

Investors should be aware of the following risks when considering investing in the shares of Polar Capital Technology Trust plc:

Past performance is not a guide to future performance. Please remember that any investment in the shares of Polar Capital Technology Trust either directly or through a savings scheme or ISA carries the risk that the value of the investment and any income from such may go down as well as up due to the fluctuations of the share price, the market and interest rates. This risk may result in an investor not getting back the original amount invested.

Investors should be aware that the value of the NAV of the Company's shares may reflect the greater relative volatility of technology shares. Technology shares are subject to the risks of developing technologies, competitive pressures and other factors including the acceptance by business and consumers of new technologies. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in smaller capitalisation businesses. As the Company invests in overseas companies changes in exchange rates may cause fluctuations in the value of the investments and of your investment in the Company.

The Company takes on bank debt for investment purposes ('gearing') which exposes the company to exchange risk when the borrowings are in different currencies and the value of the investments made with the borrowings may fall and may not be sufficient to cover the borrowings and interest costs. However, the Company may increase or decrease its borrowing levels to suit market conditions.

If you are investing through a savings plan, ISA or other investment arrangement it is important that you read the key features documents and understand the risks associated with investing in the shares of the Company. If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

Tax rates and reliefs change from time to time and may affect the value of your investment.

Polar Capital Technology Trust plc is a public listed company on the London Stock Exchange Premium Market section and complies with the Financial Conduct Authority ('FCA') Listing Rules. It is not directly authorised and regulated by the FCA.

CAPITAL GAINS TAX

Information on Capital Gains Tax ('CGT') is available on the HM Revenue & Customs website www.hmrc.gov.uk/cgt/index. When shares are disposed of a capital gain may result if the disposal proceeds exceed the sum of the base cost of the shares sold and any other allowable deductions such as share dealing costs. The exercise of subscription shares into ordinary shares should not have given rise to a capital gain, however a capital gain may arise on the eventual disposal of those shares.

The calculations required to compute capital gains may be complex and depend on personal circumstances. Shareholders are advised to consult their personal financial advisor for further information regarding a possible tax liability in respect of their shareholdings.

Within the Document Library of the Company's website, launch and calculation details for CGT purposes are provided, Shareholders may find these useful when considering their tax position.

SECURITIES FINANCING TRANSACTIONS

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions ('SFTs') or total return swaps will be required on all reports & accounts published after 13 January 2018. During the period to 30 April 2020 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

STATEMENT BY THE DEPOSITARY

The statement of the Depositary's responsibilities in respect of the Company and its report to Shareholders for the year ended 30 April 2020 is available on the Company's website. The Depositary, having carried out such procedures as it considered necessary, was satisfied that in all material respects the Company was managed in accordance with the applicable FCA rules and AIFMD.

STATEMENT BY THE AIFM

The statement by the AIFM in respect of matters to be disclosed to investors for the year ended 30 April 2020 is available on the Company's website.

SHARE PRICE AND NET ASSET VALUE

Information on the Company including Monthly Factsheets, the NAV and share price can be found on the Company's website. The Company's NAV is released on the next working day following the calculation date, to the London Stock Exchange.

DIVIDENDS

The Company has not historically paid a dividend as the objective is capital growth.

GEARING

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 overall level of net gearing is agreed between Polar Capital LLP as the Alternative Investment Fund Manager (AIFM) and the Board. 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.

The Investment Manager's use of derivatives is controlled 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.

FEES

The Company pays both a tiered basic management fee and a performance fee, details of which are set out in the Strategic Report.

WEBSITE

The Company's website can be found at www.polarcapitaltechnologytrust.co.uk. It contains useful information on the Company including the media hub 'Tech Talk' which provides commentary and videos from the investment manager, quarterly portfolio listings, stock exchange announcements, Financial Statements, other reports and notices and useful links to third parties.

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. Once registered, on the day that Shareholder documents are sent out by post you will receive an email providing the website address where the documents can be viewed and downloaded. Paper copies will still be available on request.

CONTINUATION VOTE

The Shareholders have the opportunity to vote on the continuation of the Company in its current form every five years. The next continuation vote will be held at the AGM in September 2020.

BENCHMARK

The Company uses the Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes) as the Benchmark against which Net Asset Value (NAV) performance is measured for the purpose of assessing performance fees.

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 these results 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

INVESTMENT SCAMS ARE OFTEN SOPHISTICATED AND DIFFICULT TO SPOT

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 FCA 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 the Financial Conduct Authority using their Consumer helpline on **0800 111 6768** or using the reporting form at 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

FCA FINANCIAL CONDUCT AUTHORITY

ScamSmart

ALTERNATIVE PERFORMANCE MEASURES (APMS)

In assessing the performance of the Company, the Investment Manager and the Directors use the following APMs which are considered to be known industry metrics:

Net Asset Value (NAV)	The NAV is the value attributed to the underlying assets of the Company less the liabilities, presented either on a per share or total basis. The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'Shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. *As at 30 April 2020, the Company's total equity was £2,308,597,000 and there were 134,566,000 ordinary shares in issue. The Company's NAV per share was therefore 1715.59p (£2,308,597,000/134,566,000).*
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 2020.*
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 2020.*
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. *The share price at 30 April 2020 was 1774.00p and the NAV was 1715.59p, the premium was therefore 3.4%, ((1774.00p -1715.59p)/1715.59p).*
Total Expenses	Comprising all the operating expenses of the Company plus those expenses which are excluded from the ongoing charges calculation, including transaction costs, finance costs, tax and non-recurring expenses. Costs in relation to share issues and share buybacks are excluded from the calculation. *At 30 April 2020, the total operating expenses including management and performance fees were £20,274,000, finance costs were £1,260,000 and taxes were £1,833,000, the total expenses therefore were £23,367,000 (£20,274,000 + £1,260,000 + £1,833,000 = £23,367,000).*
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. *Ongoing charges for the year equal the management fee of £18,273,000 plus other operating expenses of £951,000 divided by the Company's average daily NAV in the period. (£19,224,000/£2,057,773,000 = 0.93%)* *Ongoing charges including performance fee based on the above plus the performance fee of £1,050,000 (£20,274,000/£2,057,773,000 = 0.99%).*

GLOSSARY OF TERMS

AAII Bear	American Association of Individual Investors sentiment survey showing the mood of individual investors – Bullish/Neutral/Bearish
AAF Report	A report prepared in accordance with Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales. Utilised within the review of internal controls.
AGM	The Annual General Meeting will be held on Wednesday, 2 September 2020. 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.
AIFM	Alternative Investment Fund Manager – Polar Capital LLP.
AIFMD	Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires that, while the Board of Directors of an Investment Trust remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations, all alternative investment vehicles ('AIFs') in the European Union, must appoint a Depositary and an Alternative Investment Fund Manager ('AIFM'). The Company's AIFM is Polar Capital LLP.
Benchmark	The Dow Jones World Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes).
BREXIT	The advisory public referendum which was held on 23 June 2016 in the United Kingdom to indicate whether voters wanted to remain or withdraw from membership of the European Union (EU). The referendum vote was cast in favour to leave the EU. The process of actually leaving is termed Brexit.
Closed-ended Investment Company	An Investment Company with a fixed issued ordinary share capital, the shares of which are traded on an exchange at a price not necessarily related to the net asset value of the company and which can only be issued or bought back by the company in certain circumstances.
Custodian	The Custodian is HSBC Bank plc, a financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.
Depositary	The Depositary is also HSBC Bank plc. Under AIFMD rules the Company must appoint a Depositary whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe-keeping duties. The Depositary's oversight duties will include but are not limited to share buybacks, dividend payments and adherence to investment limits.
Derivative	A contract between two or more parties, the value of which fluctuates in accordance with the value of an underlying security. Examples of derivatives are Put and Call Options, Swap contracts, Futures and Contracts for Difference. A derivative can be an asset or a liability and is a form of gearing because it can increase the economic exposure to Shareholders.
Discount/ Premium	The Company's share price is determined by market demand for the Company's shares. If the share price is lower than the NAV per share, the shares are said to trade at a discount. If the share price is higher than the NAV, this is described as trading at a premium. Trading at a discount might indicate a higher level of sellers in the market while trading at a premium might indicate higher buying demand.
Fund/Portfolio Manager	Ben Rogoff of Polar Capital LLP has been delegated responsibility for the creation of the portfolio of investments subject to the investment policy and various parameters set by the Board of Directors.
GAAP	The Generally Accepted Accounting Practice. This includes UK Financial Reporting Standards ('FRS') and International GAAP (IFRS or International Financial Reporting Standards applicable in the European Union).
Gearing	Calculated using the Association of Investment Companies definition. Total assets, less current liabilities (before deducting any prior charges (such as borrowings)) minus cash/cash equivalents divided by Shareholders' funds, expressed as a percentage.

GLOSSARY OF TERMS CONTINUED

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 exempted from tax on its profits realised on investment transactions, provided it complies with certain rules. These are similar to Section 833 above but further require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors' Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.
KPMG	The Company's auditor is KPMG LLP, represented by John Waterson, Partner.
Leverage	As defined under AIFMD rules, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to gearing but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowings).
Manager/ Investment Manager	Polar Capital LLP (Polar Capital), also appointed as AIFM. The responsibilities and fees payable to Polar Capital are set out in the Directors' Report.
MiFID II	Markets in Financial Instruments Directive, applicable from 3 January 2018.
Non-executive Director	The Company is managed by a Board of Directors who are appointed by letter rather than a contract of employment, with the Company. The Company does not have any executive Directors. Remuneration of the Non-executive Directors is set out in the Directors' Remuneration Report while the duties of the Board and the various Committees are set out in the Corporate Governance Statement.
PCT or the Company	Polar Capital Technology Trust Plc.
PRIIPS	The Packaged Retail and Insurance-based Investment Products regulations which came into force on 1 January 2018 in the EU. The regulations require generic pre-sale disclosure of investment 'product' costs, risks and certain other matters.
SORP	The Statement of Recommended Practice. The Financial Statements of the Company are prepared in accordance with the Investment Trust SORP issued by the AIC.

CONTACT INFORMATION

REGISTERED OFFICE AND ADDRESS FOR CONTACTING THE DIRECTORS

16 Palace Street,
London, SW1E 5JD
020 7227 2700

COMPANY REGISTERED NUMBER

POLAR CAPITAL TECHNOLOGY TRUST PLC (THE 'COMPANY')

is incorporated in England and Wales with company number 3224867 and registered as an investment company under section 833 of the Companies Act 2006.

INVESTMENT MANAGER AND AIFM

POLAR CAPITAL LLP

Authorised and regulated by the Financial Conduct Authority

Represented by Portfolio Manager Ben Rogoff

COMPANY SECRETARY

POLAR CAPITAL SECRETARIAL SERVICES LIMITED

Represented by Tracey Lago, FCG
Email: cosec@polarcapital.co.uk

INDEPENDENT AUDITORS

KPMG LLP

Chartered Accountants and Statutory Auditors
15 Canada Square,
London, E14 5GL

SOLICITOR

HERBERT SMITH FREEHILLS LLP

Exchange House, Primrose Street,
London EC2A 2EG

CORPORATE BROKER

STIFEL NICOLAUS EUROPE LIMITED

150 Cheapside,
London, EC2V 6ET

DEPOSITARY, BANKERS AND CUSTODIAN

HSBC BANK PLC

8 Canada Square,
London, E14 5HQ

REGISTRAR

EQUINITI LIMITED

Aspect House, Spencer Road,
Lancing, West Sussex, BN99 6DA

Shareholder helpline: 0371 384 2476
(or +44 (0) 121 415 7047) www.shareview.co.uk

Shareholders who have their shares registered in their own name, not through a share savings scheme or ISA, can contact the registrars with any queries on their holding. In correspondence you should refer to the Company, stating your registered name and address and, if available, your full account number.

FINANCIAL CALENDAR

The key dates in the Company's financial year are as follows:

30 April	Financial year-end
Early July	Announcement of year-end results
Early September	Annual General Meeting
31 October	Half-year end
Mid December	Announcement of half-year results

IDENTIFICATION CODES

SEDOL	422002
ISIN	GB0004220025
TICKER	PCT
BLOOMBERG	PCT.LN
DATASTREAM	PCT
REUTERS	PCT.L
LIPPER	71000395
GIIN	J29SBF.99999.SL.826
LEI	549300TN105392UC4K19

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

PREMIUM MAIN MARKET LONDON STOCK EXCHANGE

Polar Capital Technology Trust plc

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