# Final Results

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Polar Capital Technology Trust PLC
10 July 2026

## POLAR CAPITAL TECHNOLOGY TRUST PLC

### AUDITED RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR TO 30 APRIL 2026

| FINANCIAL SUMMARY | | | Change % | |
|---|---|---|---|---|
| | **As at 30 April 2026** | As at 30 April 2025 | Year Ended 2026 | Year Ended 2025 |
| **Total net assets** | **£7,324,872,000** | £3,804,889,000 | **92.5%** | 0.01% |
| **Net Asset Value (NAV) per ordinary share** | **657.41p** | 325.20p | **102.2%** | 3.1% |
| **Benchmark[1]** | **8153.98** | 5259.96 | **55.0%** | 5.1% |
| **Price per ordinary share** | **603.00p** | 288.50p | **109.0%** | (1.2%) |
| **Discount of ordinary share price to the NAV per ordinary share[2]** | **(8.3%)** | (11.3%) | | |
| **Ordinary shares in issue[3]** | **1,114,203,196** | 1,170,007,019 | **(4.8%)** | (3.0%) |
| **Ordinary shares held in treasury[3]** | **258,946,804** | 203,142,981 | **27.5%** | 21.7% |

| KEY DATA | For the year to 30 April 2026 | |
|---|---|---|
| | **Local Currency %** | **Sterling Adjusted %** |
| **Benchmark[1]** | | |
| Dow Jones Global Technology Index (TR) | 57.7 | 55.0 |
| **Other Indices over the year (total return)** | | |
| FTSE World | 33.2 | 31.0 |
| FTSE All-Share | | 25.2 |
| S&P 500 Composite | 31.1 | 28.8 |
| Nikkei 225 | 67.4 | 49.9 |
| Eurostoxx 600 | 19.8 | 21.6 |

| EXCHANGE RATES | | |
|---|---|---|
| **As at 30 April** | **2026** | 2025 |
| US$ to £ | **1.3589** | 1.3357 |
| Japanese Yen to £ | **212.94** | 190.52 |
| Euro to £ | **1.1584** | 1.1750 |

| EXPENSES | | |
|---|---|---|
| **For the year to 30 April** | **2026** | 2025 |
| Ongoing charges ratio[2] | **0.69%** | 0.77% |

Data supplied by Polar Capital LLP and HSBC Securities Services.

1. Dow Jones Global Technology Index (total return, Sterling adjusted, with the removal of relevant withholding taxes). See Annual Report for further details.
2. Alternative Performance Measure see Annual Report for further details.

3. The issued share capital as at close of business 2 July 2026 (latest practicable date) was 1,373,150,000 ordinary shares of which 265,998,780 were held in treasury.

**HISTORIC PERFORMANCE**

| As at 30 April | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Assets (£m) | 801.3 | 1,252.5 | 1,551.6 | 1,935.6 | 2,308.6 | 3,408.8 | 3,051.0 | 2,828.1 | 3,804.5 | 3,804.9 | 7,324.9 |
| Share price (pence) | 56.6 | 94.7 | 114.8 | 135.4 | 177.4 | 236.4 | 204.0 | 194.0 | 292.0 | 288.5 | 603.0 |
| NAV per share (pence) | 60.6 | 94.5 | 116.0 | 144.6 | 171.6 | 249.6 | 230.5 | 223.9 | 315.4 | 325.2 | 657.4 |
| **Indices of Growth[1]** | | | | | | | | | | | |
| Share price[2] | 100.0 | 167.3 | 202.8 | 239.2 | 313.4 | 417.7 | 360.4 | 342.8 | 515.9 | 509.7 | 1,065.4 |
| NAV per share[2] | 100.0 | 156.1 | 191.5 | 238.8 | 283.3 | 412.3 | 380.5 | 369.8 | 520.8 | 537.0 | 1,085.7 |
| Dow Jones Global Technology Index [3] | 100.0 | 153.8 | 179.5 | 218.0 | 257.5 | 376.9 | 373.6 | 384.3 | 533.8 | 560.7 | 869.3 |

The Company commenced trading on 16 December 1996 and the share price on the first day was 9.6p per share and the NAV per share was 9.75p.

**Notes:**
1 Rebased to 100 at 30 April 2016
2 Total return assumes reinvestment of dividends.
3 Dow Jones Global Technology Index (total return, Sterling adjusted with the removal of relevant withholding taxes).
All data sourced from Polar Capital LLP.

**For further information please contact:**


| | |
|---|---|
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**CHAIR'S STATEMENT**

**Introduction**
On behalf of the Board and myself I am pleased to present to you the Annual Report of the Company for the financial year ended 30 April 2026 (FY26). I would like to thank Shareholders for their continued support and am pleased to note that Shareholders voted overwhelmingly in favour of the Company's continuation at the AGM in 2025.

**Performance**
The Investment Manager's report is provided below and gives an overview of the year past and the outlook for the near future.

After a volatile start to the 2025 calendar year, navigating DeepSeek and Liberation Day tariff shocks, the technology sector led the market's recovery during the Company's financial year. During the year under review, your Company's net asset value (NAV) per share rose from 325.20p to 657.41p, an increase of 102.2%, while the Benchmark increased 55.0% in sterling terms over the same period. AI again dominated investor attention, market returns and portfolio outcomes. This has been the best relative year for the Company in at least two decades, reflecting the Investment Manager's 'AI maximalist' positioning which aligned closely with accelerating AI adoption.

This year also marked 20 years for Ben Rogoff as the lead manager of the Polar Capital Technology Trust. Under his management, the Company's NAV has increased by 2,498% versus the benchmark's 1,825% increase. During his tenure, Ben has built and retained a deep and talented investment team, the quality of which is reflected in the Company's performance. The Board maintains its high confidence in the continued success of Ben and the team.

The Board continues to believe that there are many interesting developments and long-term opportunities within our sector and this is discussed further in the Investment Manager's Report.

**Discount Management**
The Company's discount narrowed during the financial year under review, ending the year at 8.3% compared to 11.3% at the end of FY25. The average discount was 9.5% over the financial year. The Board actively monitors the discount at which the Company's ordinary shares trade in relation to the Company's underlying NAV and, whilst the Board does not have a formal discount policy, it will continue to exercise its discretion to buy back shares at a discount in normal market conditions. Equally, the Board will also use discretion to issue shares at a premium.

Utilising this discretion, the Company repurchased a total of 55,803,823 ordinary shares (representing 4.8% of the issued share capital) in the year under review at an average price of 411.8 pence per share and at an average discount of 10.1% to the prevailing NAV. Following the year end, and up to close of business 2 July 2026, the Company has bought back a further 7,051,976 shares. While purchase levels have been relatively low on an individual transaction basis, we should note that

this activity does not preclude the Manager determining that a more significant amount than usual on any one day should be purchased. Such a decision may be influenced by, in the Manager's view, there being a particular investment opportunity best accessed through buying shares in the Company rather than buying individual securities.

**Fees**
As previously reported, the Company's revised management fee arrangements came into effect on 1 May 2025. We were pleased to have achieved an agreement with the Manager for an overall reduction to the base management fee as well as the complete removal of the performance fee.

New fee arrangements:
The new base management fee is now structured over two tiers and the performance fee removed entirely:

- Tier 1: 0.75% on NAV up to and including £2bn
- Tier 2: 0.60% on NAV above £2bn

Please refer to the Annual Report for further information on fees. As a result of the reduction in fees and continued growth in NAV we are pleased to see that the ongoing charges ratio has fallen from 0.77% to 0.69%.

**Board Composition**
The Nomination Committee continues to work on succession planning as each of the Directors approach their nine year tenure on the Board. Tim Cruttenden and Charles Park will be retiring from the Board at the conclusion of the Annual General Meeting in 2026 and will therefore not be seeking re-election. We would like to thank both Tim and Charles for their significant contribution to the Company's development during their tenure. The Board is continuing to work on a managed programme of recruitment and further information will be shared when available.
There have been no changes to the membership of the Board during the year under review. The Directors' biographical details are available on the Company's website and are provided in the Annual Report.

**Directors' Fees**
As detailed further within the Remuneration Committee Report, an annual fee review was undertaken to ensure that the remuneration paid to Directors remains attractive, competitive and in line with those of its peers in order to attract and retain the best candidates. The Board usually favours modest increases year-on-year (where applicable) and with effect from 1 May 2026, the Directors' base remuneration increased by 3.4% to £38,250 and the remuneration of the Chair to £69,500. The supplement for the Audit Committee Chair was increased to £9,250 to reflect the additional time required in connection with increased audit regulation and overall responsibility, and the supplement for the Senior Independent Director was increased marginally to £4,250.

**Annual General Meeting**
I am pleased to confirm that the Company's AGM will be held on 5 October 2026 at 2:30pm at the offices of Herbert Smith Freehills Kramer, Exchange House, Primrose Street, London, EC2A 2EG. We look forward to welcoming Shareholders to the meeting, at which they will receive a presentation from the Investment Manager and his team and Shareholders will also have the opportunity to ask questions and meet the Board; light refreshments will be available following the meeting. The Notice of AGM will shortly be provided to Shareholders and will also be available on the Company's website.

Shareholders are encouraged to read the detailed explanations on the formal business and the resolutions to be proposed at the AGM contained within the Shareholder Information section in the Annual Report as well as the Notice of AGM.

In order to ensure that Shareholders are able to follow the proceedings of the AGM without attending in person, the Company will also broadcast the meeting online via Zoom videoconferencing. However, please note that Shareholders joining via Zoom will not be able to vote online during the AGM and are therefore encouraged to submit their votes via proxy, as early as possible. All formal resolutions will be voted on by way of a poll. In addition to voting on resolutions proposed at the AGM, we also welcome Shareholder engagement with the Board and the Investment Manager.

As such, the Board invites Shareholders to not only attend the AGM in person but to submit questions in writing to which we will respond, as far as possible, ahead of the AGM date. Please send your questions to cosec@polarcapital. co.uk with the subject heading PCTT AGM.

**Environmental, Social and Governance (ESG)**
The Investment Manager incorporates ESG considerations into its investment process and the Board continues to engage closely with the Manager to monitor their progress. The Board receives regular updates on ESG developments on the corporate side of Polar Capital's business. As at 30 April 2026, based on MSCI ESG ratings, the portfolio and the benchmark were both A rated.

Please refer to the ESG Report in the Annual Report which incorporates both the investment and corporate approaches.

**Outlook**
While macroeconomic uncertainty remains and market volatility may continue, we remain confident in the long-term outlook for the sector. We believe these conditions can create attractive investment opportunities, and both the investment team and the portfolio are well positioned to benefit from continued developments in artificial intelligence. At the same time, Shareholders should be aware that any continued weakening of the US dollar could act as a near-term headwind to performance, given that a significant proportion of the Company's assets are denominated in US dollars. I encourage you to read the Investment Manager's report below for more insight into the excitement the Manager has about various themes developing within our sector.

**Catherine Cripps**
Chair
9 July 2026

**FINANCIAL AND PERFORMANCE REVIEW FOR THE YEAR ENDED 30 APRIL 2026**

The NAV per share increased from 325.20p at the beginning of the financial year to 657.41p as at 30 April 2026, representing an increase of 102.2%. This reflects the Company's strong performance over the year. The
Investment Manager's Report below sets out in detail the performance of the Company for the financial year.

**Total Return**
The Company generates returns from both capital growth (capital return) and dividend income received (revenue return). The total return from the portfolio for the year was a gain of £3,752.5m (2025: gain of £118.4m), comprising a gain of

£3,762.0m (2025: £129.7m gain) from capital and a loss of £9.5m (2025: £11.3m loss) on the revenue account reflecting the allocation of all expenses against dividend income. Full details of the total return can be found in the Statement of Comprehensive Income below. As a matter of policy, all expenses are allocated to revenue. The Company's allocation of expenses is described in Note 2(d) below and the allocation methodology is considered on an annual basis. No change to the policy is recommended (2025: no change). The earnings per share were 330.42p (2025: 9.97p), comprising 331.26p from capital return and a loss of 0.84p from revenue return.

**Capital Return**
The investment portfolio was valued at £6,846.6m (2025: £3,664.9m) at the year end 30 April 2026, generating realised and unrealised gains of £3,788.7m (2025: gains of £128.5m) over the year. The Company's valuation approach is described in Note 2(f) below. During the year under review, the Company received a one-off special dividend of £0.3m which was treated as a capital gain. The derivative losses of £28.8m (2025: gains of £2.8m) have arisen as a result of the call and put options which are used to facilitate efficient portfolio management. Full details of the derivatives are set out in the Investment Managers Report and in Note 6 below.

**Revenue Return**
Total investment income for the year amounted to £24.3m (2025: £19.1m) and represents dividend income derived from listed investments. During the year under review, the Company received other operating income of £8.5m (2025: £6.3m) which was derived from bank interest and Money Market Fund (MMF) interest. It should be noted, however, that the MMF is held primarily as a cash diversification factor rather than an income generating investment. As stated above, as a matter of policy, all expenses are charged to revenue and as a result, expenses normally exceed the income received in any given year. As has been the case for many years, the revenue reserve therefore remains negative. The Company historically has not paid dividends given the nature of its focus on longer term capital growth. The Directors do not recommend the payment of a dividend for the financial year under review. The Board reviews this stance on a periodic basis.

**Total Expenses and Finance Costs**
The total expenses for the year under review amounted to £37.9m (2025: £32.5m). These are made up of investment management fees of £35.8m (2025: £30.9m) and administrative expenses of £2.1m (2025: £1.6m). In addition, the Company had finance costs of £1.6m (2025: £1.8m). The Company's operating expenses comprise predominantly of variable costs, such as investment management, depositary, and custody fees which increase and decrease based on the net asset value. Other expenses remained at a level consistent with the prior year. Effective from 1 May 2025, a revised Investment Management Agreement was entered into with the Manager, including a reduction in the base management fee and the removal of the performance fee. Further details of these changes are set out in the Annual Report. The Company keeps under close review the costs and expenses associated with the running of the Company to ensure that they continue to provide value for money.

**Ongoing Charges**
The ongoing Charges Ratio (OCR) is a measure of the ongoing operating costs of the Company. It is calculated in line with the AIC recommended methodology, represents the total expenses of the Company, excluding finance costs, and is expressed as a percentage of the average daily net asset value during the year. The OCR demonstrates to Shareholders the annual percentage reduction in NAV as a result of recurring operational expenses, that is, the expected cost of managing the portfolio. Whilst based on historical information, the OCR provides an indication of the likely level of costs that will be incurred in managing the Company in the future. The OCR for the year to 30 April 2026 was 0.69%, a reduction from the previous year of 0.77%. This reflected both the reduction in the investment management fee following the introduction of the revised fee structure and the increase in NAV over the period. See Alternative Performance Measures in the Annual Report.

**Cash and Cash Equivalents**
The Company's absolute level of cash at the year end was £583.6m (2025: £187.9m), this equates to less than 8% of the Company's NAV as at 30 April 2026. As noted above, as part of the Company's conservative cash diversification strategy the Company has chosen to invest 50% of its USD cash balance into a USD Treasury Money Market Fund. As at 30 April 2026, the Company held the BlackRock Institutional Cash Series - US Treasury Fund with a value at the year end of £228.7m (2025: £21.4m).

**Portfolio Turnover**
Portfolio turnover (purchases plus sales divided by two) totalled £7,897.8m equating to 141.9% for the year to 30 April 2026 (2025: 119.9%) of average net assets. The increase from the prior year reflected a higher level of portfolio activity during the period. Details of the investment strategy and portfolio are given in the Investment Manager's Review below.

**Gearing**
The Company can use gearing for investment purposes as stated in the Annual Report. The Company remained ungeared, with a net cash position of 6.2% at the year end. As at the year end, the Company had fully drawn its three-year fixed rate term loan of JPY 15 billion with The Bank of Nova Scotia. This loan is due for repayment in September 2027. The repayment of this loan, totalling approximately £70.4m would equate to 1% of the Company's NAV as at 30 April 2026.

**Foreign Exchange**
The majority of the Company's assets and revenue are denominated in currencies other than Sterling and are impacted by foreign exchange movements. As at the year ended 30 April 2026, the other currency gains represent the net gains on translation of loan balances of £8.3m (2025: gains of £0.9m) less the exchange losses of currency balances of £6.4m (2025: losses of £2.5m). The Company's total return and net assets can be affected by the movements in foreign exchange. As explained in Note 27 (a) (ii) in the Annual Report, the primary sensitivity is to the movement in US Dollar against Sterling. Sterling appreciated by 1.7% against the US Dollar during the financial year.

**Catherine Cripps**
**Chair**
9 July 2026

**INVESTMENT MANAGER'S REPORT**

**Market review**
Equity markets delivered a third consecutive fiscal year of gains in the 12 months to the end of April 2026, with global and

US indices both returning 28.8%, in sterling terms, including dividends. This capped an extraordinary three-year run in which the S&P 500 doubled from its October 2022 lows. Most major markets posted strong fiscal year 2026 (FY26) returns, flattered by April 2025 volatility around Liberation Day tariff uncertainty and the subsequent relief rally as reciprocal tariffs were paused.

Having entered the year with near-record country (US), sector (IT) and stock ('Magnificent Seven' (Mag7)) concentration, FY26 finally rewarded diversification - Europe (+21.6%), Japan (+28.1%) and South Korea (+148%) all delivered strong returns. Much of the ex-US performance reflected multiple expansion as the long-standing US premium, even adjusted for growth, narrowed. In the US, company valuations remained elevated versus history and returns were almost entirely driven by earnings. The dollar weakened by 1.7% versus sterling during the fiscal year, while the trade-weighted US dollar spot index (DXY) declined by 1.4%.

While US stock-level returns were narrow, sector returns showed greater breadth. Technology still delivered strongly in the US, while financials and miners staged a powerful recovery in Europe, partly as AI capital expenditure (capex) spilled into infrastructure-related areas. Rising single-stock volatility also gave active managers greater scope to add alpha.

FY26 was defined by robust global growth, central bank interest rate cuts, upside to AI capex and growing optimism over the broader tailwinds from AI adoption. Markets climbed the proverbial 'wall of worry' as tariff concerns and erratic policy kept uncertainty levels elevated.

The One Big Beautiful Bill Act (OBBBA), passed in early July 2025, delivered substantial stimulus via corporate tax cuts and investment incentives. Financial conditions stabilised as Middle East tensions eased, inflation moderated and labour markets cooled, prompting the Federal Reserve (Fed) to resume cutting interest rates in September. Consumer spending proved resilient, led by higher-end consumers, and the labour market held up despite tariff and policy uncertainty. Inflation ran slightly above the Fed's 2% target, but did not re-accelerate as feared, allowing three further 25 basis point (bp) rate cuts in the second half of 2025.

Late summer and autumn brought fluctuating rate expectations and a prolonged US government shutdown, triggered when Congress missed the 30 September appropriations deadline. At 43 days, it was the longest in US history, ending on 12 November. Sentiment was tested by pockets of credit stress and renewed tariff threats, particularly around Chinese rare earth export controls. Fed Chair Jerome Powell publicly clashed with President Trump over the pace of cuts and Fed independence. Momentum stalled in Q4, though equities held up, supported by resilient company earnings, easing inflation, supportive monetary policy and continued strength in AI-related capex.

Early 2026 saw a sharp rotation in equity markets from growth to value, secular to cyclical, asset-light to asset-heavy, US to ex-US. AI disruption risk came into acute focus in late January as weaker-than-expected results from Microsoft, SAP and ServiceNow were poorly received against an inflection in coding capabilities from Anthropic's Claude Code. Terminal value concerns caused technology stock valuations to fall sharply, driving the software sector's forward price to earnings (P/E) ratio from 35x to below 20x (i.e. investors previously willing to pay £35 for every £1 of earnings are now paying less than £20).

AI concerns spread to data-intensive industries and intermediaries - media; information services; brokers; business services - and Goldman Sachs' AI-at-risk basket was down 22% year to date by mid-February. Even traditionally resilient, high-quality businesses weren't spared, posting their steepest 12-month losses since the pandemic. Conversely, cyclicals and consumer industries rallied as the ISM Manufacturing Index turned positive and the premium investors would pay for perceived 'AI defensibility' expanded. This resulted in an increase in market breadth and dispersion. The consumer staples sector - seen as sheltered from AI - reached the same valuations as technology, a sector that delivered one of its weakest starts to a year in five decades.

Geopolitical uncertainty rose sharply in the final months of the fiscal year. A US military buildup in the Middle East culminated in coordinated US and Israeli strikes on Iran in late February, raising concerns about wider regional conflict and disruption to traffic through the Strait of Hormuz. The conflict injected significant uncertainty around inflation, growth and the path of monetary policy, driving demand for safe-haven assets as the oil price rose to a multi-month high. The final weeks delivered a sharp reversal. On 8 April, President Trump announced a two-week ceasefire which held in some form through to the end of the month, and investors rushed back into AI stocks despite tighter financial conditions and a less favourable rate outlook.

**Technology review**

After a volatile start to the calendar year navigating DeepSeek and Liberation Day tariff shocks, the technology sector (as per the Company's benchmark, the Dow Jones Global Technology Net Total Return Index, sterling adjusted) led the market's recovery during the Company's financial year, returning +55% for the 12 months to 30 April 2026. Large and small-cap technology companies both delivered strong returns - the Russell 1000 Technology Index +51.7% and Russell 2000 Technology Index +63.8% - while the Bloomberg Magnificent 7 Total Return Index and NASDAQ 100 lagged at +46.8% and +38.8% respectively. Concerns over the impact of higher AI investment on margins and cashflows, plus uncertain returns on investment (RoI), drove a more two-way debate on many Mag7 constituents.

AI again dominated investor attention, market returns and portfolio outcomes, with the continued improvement in model capabilities the most important driver of the investment narrative. This culminated in a step-change in enterprise adoption and AI revenue growth into calendar year 2026 that surpassed even the most bullish expectations. This was all against a backdrop of the highest US tariff regime in nearly a century and a sharp valuation reset in incumbent application software.

The clearest immediate financial implication of AI model improvement was accelerating hyperscaler (the largest cloud companies) investment in AI infrastructure and the rapid consumer and enterprise adoption it enabled. ChatGPT grew from 500 million weekly active users at the start of the fiscal year to 900 million by year-end. Consensus 2026 hyperscaler capex rose from $314bn at the start of 2025 to $751bn by April 2026 - up 140% in 16 months.

OpenAI and later Anthropic struck a series of large multi-year compute commitments with Oracle, Microsoft, Amazon and Google, alongside neo-clouds including CoreWeave and Nebius. Anthropic completed a $30bn round of institutional funding, its seventh successful round, in February 2026 at a $380bn post-money valuation; OpenAI closed a $122bn round in March 2026 at $852bn. Cross-investments involving AI labs, hyperscalers and semiconductor chip providers raised concerns about 'circular financing', though the arrangements were small in scale, transparent and strategically justifiable. Concerns eased as AI token demand and revenue came through well ahead of expectations.

Extraordinary capex numbers, compute commitments and equity investments reflected their confidence in continued scaling laws and the size of the AI opportunity. Late 2025 and early 2026 saw a significant inflection in model capabilities:

Google Gemini 3 (November 2025), Anthropic Claude Opus 4.5/4.6/4.7 (November 2025-April 2026) and OpenAI GPT-5.4/5.5 (January-March 2026). The step-change in model performance, alongside major improvements in agentic harnesses (orchestration layers around foundation models that provide planning loops, memory, execution environments and guardrails), plus the ability to call deterministic software tools where required, enabled models to pursue multi-step tasks autonomously rather than simply respond to individual prompts and expanded the length of time a model could work autonomously by orders of magnitude. OpenClaw - an autonomous open-source personal AI agent - went viral in January 2026 and became the fastest-growing open-source project in history.

These developments marked the true arrival of agentic AI and a critical inflection point: the shift from AI assistance to execution, as AI models began doing economically valuable work autonomously. Enterprise adoption promptly accelerated: according to Ramp, token consumption among its customers grew 14x between January and April 2026. The most striking proof point was Anthropic's annualised revenue, which rose from $9bn at the start of 2026 to $30bn by early April.

Repeated positive revisions to hyperscaler capex flowed through to AI infrastructure suppliers. Demand accelerated beyond the industry's ability to supply it and multiple bottlenecks emerged across the new AI computing architecture. The Philadelphia Semiconductor Index (SOX) returned 145% as compute demand inflected, particularly as agentic workloads grew exponentially. Semiconductor equipment manufacturers saw record orders and backlog, TSMC reported industry-leading utilisation and raised its long-term AI revenue growth targets, and sentiment improved on a reinvigorated Intel under new leadership supported by fresh capital and a mandate for domestic chip production. Ongoing China export uncertainty remained a headwind, but demand proved more resilient than feared as Beijing's threat to restrict rare earth exports appeared to temper US efforts to tighten controls.

Networking stocks were pulled into the AI trade as new compute architectures required new networking topologies to deliver performance and address power and other bottlenecks. Suppliers of connectors, cables, componentry, power systems and cooling to the data centre buildout also delivered strong returns. Many hardware-centric subsectors that benefitted from the AI inflection had consolidated and were reluctant or unable to add capacity, driving higher pricing as demand exploded. Memory and storage were the best examples - clean room shortages and HBM (high bandwidth memory) conversion squeezed commodity supply, prompting customers to seek longer-term agreements. Hard disk drives also benefited as the most cost-effective solution for storing and retaining training and inference data.

Software lagged materially with the iShares Expanded Tech-Software ETF (IGV) returning -14.3%. Q3 2025 brought a negative inflection in sentiment as even mildly disappointing earnings were punished heavily. Concerns about the terminal value of SaaS (Software as a Service) businesses gained traction as model makers moved up the technology stack, coding tools proliferated and seat-based models came under pressure. Subsequent model releases redoubled fears over AI's role in replacing traditional human-facing software workflows as code became abundant, pressuring shares further in early 2026.

Internet companies also struggled as although advertising and e-commerce growth remained strong, significant capex weighed on free cashflow and AI narrative swings drove sentiment. Alphabet was a notable exception - initially weak as traffic share loss and decelerating paid click growth highlighted the ChatGPT competitive threat. It subsequently rallied when a judge in an antitrust case against Google ruled for more lenient remedies than the Department of Justice (DoJ) had sought, removing a major overhang on its Search business. Alphabet's AI narrative improved alongside an accelerating product cadence: deeper Gemini integration in Chrome and AI Search, Nano Banana image/ video generation, then Gemini 3 and Project Genie 3. The market also reappraised Google's TPU (tensor processing unit) initiative as a credible GPU (graphics processing unit) competitor and Search held up far better than feared.

Meta Platforms (Meta) delivered solid AI-driven monetization gains and continued to surprise with the scale of its capex commitments, but the failure to ship a competitive frontier model weighed on the stock. Apple posted solid headline numbers and reached a $4trn market capitalisation (cap), though Apple Intelligence remained underwhelming as a consumer-facing AI proposition. The iPhone refresh cycle proved more durable than feared, partly offsetting unresolved regulatory threats to the services business.

**Portfolio performance**

The Company significantly outperformed its benchmark during the period, with net asset value (NAV) per share increasing by +102.2% during the financial year versus +55.0% for its benchmark, the sterling-adjusted Dow Jones Global Technology Net Total Return Index.

The Company's share price rose +109.0% over the period, reflecting both strong growth in the value of its underlying assets and active share buybacks that helped close the gap between the share price and asset value. That gap - the discount - narrowed from -11.3% to -8.3%. The Company bought back 55.8 million shares during the year, more than the 38.9 million repurchased the year before, leaving 1,114.2 million shares in issue at 30 April 2026.

While naturally reluctant to celebrate periods of strong performance, we should acknowledge a remarkable year, even if absolute returns were flattered by a low starting point given the weak close to the prior financial year. The Company's relative performance was among the strongest in its history and its outperformance versus peers - already strong across most timeframes - has extended meaningfully, evidenced by top decile performance over one, three, five and 10 years versus its Lipper peer group.

The dominant driver of relative performance was our 'AI maximalist' positioning, which aligned tightly with accelerating AI adoption, surging infrastructure investment and a sharp bifurcation between AI 'haves' and 'have-nots' across the technology sector.

While significant underweight positions in Microsoft (+417bps) and Apple (+360bps) were among the largest stock-level contributors, the breadth of our AI-related exposure across multiple subsectors delivered considerably greater alpha. Stock selection contributed positively across every market-cap sector and major geography, with outstanding performance in small and mid-cap stocks.

The semiconductor sector and its supply chain remained central to the AI story. AI capex drove a surge in HBM demand, which spilled over into firmer commodity DRAM and NAND pricing. The result was extraordinary returns across the memory complex over the reporting period, most notably SanDisk (+374bps from a +3,257% stock return), SK Hynix (+140bps) and Micron Technology (+95bps). Higher data storage requirements and strong hyperscaler capex meeting tighter supply also drove strong returns in hard disk drives, an area the Company had not held meaningfully for years, but, applying our 'AI lens', revisited during the year. This produced significant positive contributions from Seagate Technology (+199bps) and Western Digital (+107bps).

While the large (average 10.6%) but underweight (-4.1%) position in NVIDIA detracted -58bps from relative performance as we found opportunities elsewhere and tried to balance single-stock risk with enthusiasm for the AI theme, this was more than offset by broader AI-related exposure. The Company benefited from overweight positions in Advanced Micro Devices (AMD; +167bps), TSMC (+65bps) and Intel (+45bps), alongside key supply chain enablers including Elite Material (+314bps), TTM Technologies (+139bps) and Ibiden (+77bps). Semiconductor equipment and manufacturing companies also performed well on AI- and memory-related demand: LAM Research (+165bps) and KLA (+91bps), plus smaller holdings such as Disco (+32bps) and FormFactor (+50bps). Tokyo Electron (-33bps) provided a modest offset.

The Company's exposure to networking provided more than 1,000bps of relative performance. As previously discussed, the sector - encompassing chips, cables, fibre, switches and optical components - appears well positioned to benefit from the shift toward denser, higher-performance computing and the growing need to interconnect AI training clusters across multiple data centres. The theme enjoyed a sharp recovery from the depressed Liberation Day-induced lows and produced a plethora of large contributors: Lumentum Holdings (+379bps from a +1,402% stock return), Ciena (+306bps), Corning (+204bps), Fujikura (+201bps), Celestica (+178bps), Coherent (+129bps), Asia Vital Components (+127bps), Credo Technology Group Holding (+94bps) and Fabrinet (+74bps).

Closely related, the off-benchmark exposure to the data centre power and cooling theme also contributed strongly, benefiting from capex strength and the increasingly power-intensive nature of AI-optimised servers and data centres. Strong order books and earnings momentum drove positive contributions from Delta Electronics (+146bps), GE Vernova (+93bps), Vertiv Holdings (+89bps), Siemens Energy (+80bps) and Caterpillar (+36bps), more than offsetting modest detractions from other power-related holdings such as Belimo Holdings (-27bps). We leaned on our AI team's experience and domain expertise as we scaled exposure to these technology-adjacent areas.

Another major driver of relative performance was our significant underweight in the software sector, which materially underperformed during the year. This positioning reflected our out-of-consensus view that incumbent software is unlikely to prove a good conduit for AI - a view the market embraced as enterprise software multiples compressed and several leading SaaS franchises came under sustained pressure. Microsoft (+417bps) underperformed the benchmark by 53% over the period as expectations adjusted to AI-driven competition and the defensive nature of elevated capex. Underweight or zero positions in Salesforce.com (+116bps), Intuit (+85bps), SAP (+87bps), ServiceNow (+80bps), Adobe Systems (Adobe) (+72bps), Oracle (+67bps) and IBM (+61bps) all contributed positively, partially offset by smaller positions in MongoDB (-75bps) and Snowflake (-33bps).

The internet sector proved more challenging. The largest single stock detractor was an underweight in Alphabet (-235bps), reflecting a strong post-April recovery supported by a favourable DoJ outcome, successful model launches (Nano Banana; Gemini 3; Genie) and a reappraisal of the strategic value of Google's first-party chip and networking capabilities. This was partially ameliorated by the Google equity call options, which added back 122bps. The arrival of agentic AI and collapsing cost of code raised terminal value questions for Spotify Technology (-54bps), Carvana (-44bps), Netflix (-41bps), AppLovin (-37bps) and Shopify (-34bps). Robinhood Markets offered a modest offset (+44bps).

Unsurprisingly in a strong market, the largest negative contributions came from cash and the NASDAQ put options. An average cash position of around 4.8% was the single greatest drag (-277bps), while we paid away 130bps on NASDAQ put options designed to ameliorate the impact of sharp technology sector drawdowns.

As mentioned in prior reports, we view both cash and the NASDAQ put strategy within the context of an overall portfolio whose beta - owing to our growth and AI focus - remains well above one. In the prior year, the NASDAQ put options worked effectively during the January-April selloff. They also allowed us to maintain the pro-AI shape of the portfolio during early April volatility, which undoubtedly contributed to the Company's strong rebound. Finally, the use of equity call options - implemented to protect against upside risk in select stocks where we hold large underweight positions - contributed 125bps to relative performance during the financial year. Foreign exchange (FX) was a modest headwind to Company returns as sterling strengthened slightly versus the US dollar, given the majority of the portfolio's holdings are denominated in non-sterling currencies, primarily the dollar and dollar-linked currencies.

**Market outlook**

We consider the market outlook primarily through the lens of whether any potential macro or market shock is likely to derail the AI story. The answer so far has been 'no' - or 'not yet' - as the S&P 500's rebound from October 2022 lows has been among the strongest since 1928.

Assuming Middle East events do not cause sustained oil price increases or petrochemical shortages, US growth should remain firm as the drag from tariffs gives way to tax cuts and OBBBA (One Big Beautiful Bill Act) stimulus. Political risk is likely to remain elevated, however, especially around the midterms where a change in control of the House and/or Senate could limit the administration's ability to pass legislation and bring further geopolitical volatility to markets. Real wage growth and loose financial conditions should support consumer spending, though lower income families may continue to feel the squeeze. Cyclical indicators like the ISM Manufacturing and Purchasing Managers' indices (PMI) have picked up and tax incentives and deregulation should drive business investment.

The most important market questions for the Company's outlook are (1) whether breadth returns and (2) whether AI will prompt a market regime shift.

(1) Breadth

Technology - and associated US and growth exposure - outperformed so dramatically for so long because profit growth and returns on equity (RoE) rose substantially relative to other sectors and geographies, driven by the scaling up of cloud computing, the growth of the digital economy and increasing returns to scale. Prodigious cash generation was reinvested in high-RoIC (return on invested capital) businesses, rivals were acquired or outcompeted and the share of earnings increased.

After years of mega-cap US technology dominance, investors face a broadening set of opportunities and have thus far been rewarded for diversification. Elevated valuations, tight credit spreads and strong 'risk-on'
leadership suggest there is little macroeconomic risk left to price out of broader markets so earnings growth should be a key contributor to future returns. The durability of any broadening trade ultimately depends on whether earnings breadth improves. We are optimistic conditions are in place for a recovery in market breadth as almost every industry is being reimagined in the wake of AI, though an oil shock pushing inflation higher and setting back the case for interest rate cuts makes this more challenging near-term.

(2) Market regime shift

We have long been interested in the potential for a regime shift after many years of US 'Big Tech' dominance, though our conclusions have generally been cautious. A combination of AI and geopolitical developments is changing what the market wants. Following the global financial crisis (GFC), capital systematically rotated towards high-quality, asset-light compounders generating elevated returns on invested capital with above-trend growth. AI disrupts this framework at its foundation. By compressing the time and cost required to replicate a company's competitive advantage, it accelerates the erosion of the ability for the best companies to earn returns well above their costs of doing business. The theoretical endpoint is that exceptional profitability becomes harder to sustain, with more companies earning only ordinary returns. This could favour a longer-term shift towards asset-heavy, short-cycle, commodity-adjacent businesses already earning close to their cost of capital. Those fortunate businesses with growing competitive strengths, sitting on increasingly scarce complementary assets in an AI-first world, could see their shares meaningfully rerated upwards by the market.

AI also redefines scarcity, and asset prices will respond. Prior eras were defined by what was scarce: in the Malthusian Age, land determined the population it could support; in the Industrial Age, capital became reproducible through machines, making labour the bottleneck and enormously valuable. That is the world we still inhabit - wages are high because human intelligence cannot be replicated cheaply. Transformative AI challenges that logic. If cognitive and eventually physical labour become reproducible at marginal cost, what AI cannot reproduce appreciates in relative value. Relative prices shift. Energy, land, water, manufacturing expertise with genuine barriers to entry, authentic human experiences, proprietary data, brands and regulatory franchises all become relatively more valuable precisely because they cannot be created in a data centre. While the potential distributional and governance questions around this shift are profound and unresolved, the investment implications to us are clear: be willing to pay up for what remains scarce in a world of abundant intelligence.

**Labour market risk**

The bear case to this thesis runs through the job market. If AI displaces existing work faster than new work can be created, the disinflationary effect may come via a collapse in overall demand rather than a productivity boost. A jobless expansion would exacerbate wealth inequality and likely trigger political responses such as universal basic income, AI taxes, labour protections and compute caps. The standard reassurance - that diffusion rates rather than capabilities determine labour market impact and that Goldman Sachs estimates fewer than 3% of workers are at high risk of full displacement by current AI - we find unconvincing. The major difference from prior GPT (general purpose technology) cycles is that many of the complementary changes will be provided by AI itself: electricity did not create new physical plants or reorganise work but future AI could create entirely new ways of doing knowledge work that displace whole jobs rather than automating parts of them. The labour market experience is likely to be a 'jagged frontier' where tasks, and potentially jobs, fall in scope of AI and never return. There is scant evidence of material concern in credit spreads, bond yields or inflation breakevens which is precisely why we think it is underpriced.

Despite this, our base case remains constructive - global growth stays resilient, corporate earnings expand and central banks ease over time. However, geopolitics has muddied the waters, and tail risks from a much more significant conflict to persistent inflation, to AI monetisation uncertainty, are more numerous and consequential than at any point since the pandemic. Our core conviction is that the AI story is just as exciting, but the investment regime is shifting.

The forces that supported 'just own US large-cap tech and Treasuries' - globalisation; falling rates; digitisation; favourable demographics - are giving way to a regime that rewards diversification, exposure to physical assets and underappreciated regions. This does not mean abandoning technology exposure but the risk/return profile of portfolios robust to a wider range of outcomes has become more attractive: more global; more diversified; more resilient.

Our bull case rests on the AI infrastructure cycle continuing and delivering greater productivity gains and economic growth than disruption in the near term, just as it did in the mid-to-late 1990s. Growth accelerates, inflation comes down and rate cuts continue, providing conditions for valuations to break higher rather than hold stable. Per the Census Bureau, AI adoption among US establishments now stands at 18.9%, with adoption among firms of >250 staff already at 34.8%. Dispersion is significant: in Q4 earnings calls, 70% of S&P 500 companies referenced AI (54% in productivity terms) but only 10% offered detailed use cases and just 1% quantified a measurable earnings impact.

**Market/macro risks**

Valuations appear extended relative to history, although this has been true for several years amid improving margins and structurally high returns on equity. Equity risk premia have fallen back toward pre-GFC levels, leaving the market historically expensive and increasingly concentrated at a time when parts of its profit engine may be slowing.

US household equity allocations have also reached record levels, while elevated retail participation and growing use of zero-dated call options leave markets more vulnerable to shifts in sentiment. Such a shift could be triggered by higher risk-free rates, potentially driven by rising energy and other input costs, expansionary fiscal policies, including the OBBBA and higher defence spending, and already elevated fiscal deficits.

With just seven AI-exposed stocks accounting for roughly half of S&P 500 earnings per share growth in 2025, with a similar contribution expected in 2026, broader market performance is becoming increasingly tied to continued AI progress, particularly at a time when the largest companies may need to accelerate investment ahead of corresponding revenues.

**Technology outlook**

(1) **AI DRIVING ACCELERATING IT BUDGETS**

Calendar year 2025 delivered one of the best years for IT spending in recent history at 10.5% growth, exceeding earlier expectations of 9.8% and well ahead of 7.7% in 2024. Together, these two years represent the strongest back-to-back growth since 1995-96. All the upside to Gartner's January 2025 forecast came from data centre systems, which grew 52% year on year (y/y) versus expectations of 23%. Other categories came in line or light of this.

For 2026, worldwide IT spending is forecast to remain strong at 10.5% y/y, with growth more clearly skewed towards AI as model and agentic progress drive enthusiastic enterprise adoption following disappointing early gains from copilots. Data centre systems are now expected to exceed $780bn in 2026, up from earlier expectations of $650bn. Software is forecast to accelerate to 15.1% y/y, though this includes GenAI (generative AI) model spending growing 80%. Device spending is expected to decelerate to 8.2%, partly due to rising memory prices and extending replacement cycles.

CIO surveys consistently rank AI as the top IT priority for 2026. Citi's Q4 2025 survey placed AI first, ahead of cybersecurity, digital transformation and robotics/automation. Jefferies estimates 12% of IT budgets are now allocated to AI, up from 6.5% in its previous survey, with 24% of CIOs now delivering production use-cases per Citi. Rising confidence in productivity gains likely explains why 63% of CIOs expect AI- related spending to affect hiring plans.

(2) **EARNINGS GROWTH**

For calendar year 2026, the S&P information technology sector is forecast to deliver revenue and earnings growth of 28% and 48% respectively, well ahead of the wider market's 10.8% and 22.9% (although earnings growth is flattered by some unrealised investment gains, e.g. in SpaceX and Anthropic stakes). Outperformance is expected to extend into 2027 with revenue and earnings growth of 17.7% and 24.7% compared to 6.9% and 13.7% for the broader market. While these forecasts might appear at odds with elevated geopolitical uncertainty, the AI imperative and corporate earnings have thus far proved more resilient than feared.

First-quarter reporting season has been supportive with blended earnings growth of 30.7% y/y, though headline numbers mask significant subsector divergence - semiconductors (+49%) doing much of the heavy lifting while others delivered more modest growth.

The most significant risks to the sector's earnings profile are geopolitics, AI disappointment and concentration risk (the Mag7's outsized share of sector earnings). Large FX moves would also have a disproportionate impact - technology has the highest international revenue exposure of any S&P 500 sector at 55% versus the S&P 500 average of 39%.

(3) **VALUATION**

Technology's valuations expanded modestly through most of the past year, but recent pronounced weakness in software and internet stocks - groups perceived as AI losers - has driven a contraction in headline valuations. The sector now trades on a 25.1x forward earnings, down from 26.3x last year and sits between five (25.5x) and 10-year (24.3x) averages. The S&P 500's current forward P/E of (c.21x) remains elevated by historical standards, at a level seen only a handful of times in recent history (2021 and 1998-2000).

On a relative basis, technology's P/E trended lower for much of the past year. More recently, AI disruption fears, coupled with a robust Q4 earnings season, triggered a sharper derating. However, subsequent sector strength has seen the sector's relative P/E recover to 1.2x, its 20-year average.

(4) **REPRICING AI RISK**

Headline valuations belie record subsector divergence, as AI disruption has created clear winners and losers. Those perceived as benefitting from AI - particularly chip makers - have reached valuations not seen since early 2021 while software recently traded at its lowest valuations since 2016. The software plunge saw almost 80% of stocks suffer a >30% drop, almost unheard of outside cyclical bear markets. To us, this feels less like a sudden dislocation rather than an overdue reaction to fundamentals that have been diverging from semiconductors since at least 2020. We remain significantly underweight software and the internet on long-held concerns about their relevance in an AI-first world.

(5) **MAG7 CHALLENGED**

After years of sharp outperformance, Mag7 returns have been moderating. In 2025, only NVIDIA and Alphabet outperformed the S&P 500, reflecting diverging AI fortunes. The group now accounts for 31% and 25% of the S&P 500 market cap and forward earnings respectively, compared to 29%/22% a year ago.

The premium valuation enjoyed by this remarkable group of natural monopolies is now being challenged by a combination of prosaic and potentially existential factors - converging growth rates, elevated AI investment and rising capital intensity. While we believe current hyperscaler capex is rational and in long-term shareholder interests, interest alignment will be challenged near-term as hyperscalers - particularly those without frontier models - become asset-heavy 'quasi-utilities'. Against this backdrop, the absence of tangible AI benefit is likely to result in capex being increasingly perceived as defensive.

We see agentic AI as a threat to existing cloud platforms, especially those without a frontier LLM (large language model) and/or their own chips. The LLM is the 'brain' of any agentic system. Without a frontier model, cloud platforms may cede the most lucrative part of the AI value chain - the orchestration layer - and with it application programming interface (API) revenue and control over the 'scaffolding' of core tools and management infrastructure. AI also threatens other massive profit pools - advertising (a $1trn market by 2028 dominated by Google, Meta and Amazon), e-commerce (Amazon accounts for 40% of US online retail) and software (Microsoft's 72% PC of the operating system market and 450 million productivity software users).

The absence of a frontier model is a key reason we have become considerably more cautious on Meta and Microsoft, and why we meaningfully increased Alphabet exposure (which also has its own competitive chip) ahead of and after Gemini 3. There are still many ways for each Mag7 company to 'win' in the AI era, but the range of outcomes has shifted. Apple remains an outlier, lacking a frontier model but spending modestly on AI capex, and we wonder if the company might change tack once Tim Cook steps down as CEO in September.

In The Magnificent Seven (1960), only three of the seven gunfighters survive. We suspect the Mag7 trade may be approaching a similar moment and for those competing directly, they obviously cannot all win, even if the overall return on investment for AI is very positive.

Mag7 now accounts for 29% of the portfolio versus >50% of the benchmark. The burden of proof has shifted onto incumbents to demonstrate their relevance in an AI-first world. We expect to exit anything we believe to be impaired, holding significantly smaller equity positions in incumbents augmented with out of the money (OTM) call options to protect against significant rallies.

(6) **IMPLICATIONS OF A POST-MAG7 WORLD**

Aside from 2022, the Mag7 has outperformed the S&P 500 in nine of the past 10 calendar years. Should recent underperformance extend, the investment ramifications would be significant - some are already unfolding.

After another exceptionally narrow market in 2025 (only 30% of S&P 500 stocks beat the index), we are hopeful the backdrop becomes more active-manager friendly. This may take the form of improved breadth - the recent low in the Russell 2000 vs S&P 500, back to levels last seen around 2000, feels like a significant portent and a potential moment for small-cap companies to reassert themselves. We are also intrigued by the potential for AI tool use to materially increase the audience for smaller businesses by helping discovery and analysis.

(7) **CHANGE OF LEADERSHIP?**

We are even more excited about a potential change of technology leadership as the AI cycle extends. This long-held view was recently supported by a fascinating spike in the S&P Information Technology High-Low Logic Index, which measures the number of technology stocks simultaneously making new highs and lows. The index recently surged to 11.3, by far its highest reading since 1972, with prior peaks between 5.0 and 7.0 during the early and late 1990s. What it measures is breadth divergence: the IT sector at peak relative highs versus the S&P 500 with internal breadth is the most fractured ever.

We believe this represents AI disruption, with semiconductors and infrastructure surging to new highs while software, IT services and internet break to new lows. At the headline level things look fine; beneath that, we see a sector in turmoil.

While others continue to push the dot.com parallel, the high/low reading looks more akin to the technology leadership rotations of the early 1990s PC cycle.

**The PC cycle parallel**

Like the AI cycle, the early 1990s PC cycle was hardware-driven and enabled by scaling laws. IBM's 1981 PC quickly became the standard business microcomputer. The fateful decision to use an Intel microprocessor was reframed by Moore's Law and Intel's merchant volumes. Intel's fifth-generation Pentium (1993) unlocked a processing throughput bottleneck much as HBM has enabled training of massive AI models, while Windows 3.1 (1992) sold three million copies in its first two months and turned the PC into a viable platform.

PC units grew from 24 million to 150 million between 1990 and 2000. Microsoft's revenues increased 30x between 1986 and 1995 at 25% net margins, and its market cap grew roughly 70x in nine years from IPO, overtaking IBM in early 1993 despite generating a fraction of its revenue - highly reminiscent of recent growth inflections at OpenAI and Anthropic. The incumbents, meanwhile, were in freefall: IBM posted an $8bn loss in 1993, the largest in US corporate history; DEC, the world's second-largest computer company in 1988, lost money in almost every year between 1991 and 1996; Wang Laboratories, which had controlled up to 80% of office word processing, filed for bankruptcy in 1992.

**What lessons might we learn from the PC cycle?**

1. **Rapid leadership change**: In 1993, IBM's share price halved and its market cap fell below Microsoft's for the first time, despite IBM generating $62bn in revenue to Microsoft's $3.8bn. PC and client-server winners rapidly usurped incumbents within indices, years before fundamentals 'justified' the rotation.

2. **New (invisible) market opportunities**: Early PC winners were later augmented by software applications (Adobe; Corel), utility vendors (Symantec; Norton), networking (3Com; Novell) and an entirely new gaming hardware layer. In 1993 - the same year IBM posted the largest loss in US corporate history - Jensen Huang founded NVIDIA and ATI (now AMD) listed in Toronto.

3. **Moving up the stack**: Having established Windows as the platform, Microsoft systematically moved into applications. Lotus 1-2-3 was displaced by Excel; Novell NetWare's networking dominance evaporated when Windows NT (1993) added built-in networking; WordPerfect, Borland and Netscape each dominated their category until Microsoft leveraged its platform to enter, bundle and win. Anthropic's recent moves into tool use, computer use and model context protocol (MCP) connectors look less like feature additions and more like the early stages of a Microsoft-style platform expansion from model provider toward the application layer.

4. **Architectural shift**: The PC cycle is usually framed as the natural successor to previous hardware cycles - mainframe to minicomputer to PC - but it represented something more fundamental: vertically integrated computing was replaced by a horizontally layered alternative where Intel owned the processor, Microsoft owned the operating system and commodity assemblers owned the box. Value migrated from integration to specialisation, hardware to software, proprietary to open. The PC democratised computing but destroyed every incumbent built on a vertical moat.

AI is following a similar pattern of misidentification. It is widely articulated as the natural successor to the cloud because both are scaled forms of computing delivered remotely. However, the underlying stack is profoundly different: parallel rather than serial, power-hungry rather than power-efficient, with model builders adopting heterogeneous approaches to architecture, training, inference and power. Before AI, the unit of compute was the server; today it is the rack and tomorrow it may be the data centre itself. AI may democratise cognition, but the infrastructure required is anything but commoditised. The AI cycle is therefore likely to look less like on-premise to cloud - which destroyed branded hardware but preserved much of the existing software stack - and far more like mainframe to PC, which destroyed the incumbents entirely.

5. **Greater competition**: Investors should brace for significantly greater competition. The new cycle has created a window for entrants to displace incumbents. Microsoft may have felt it covered its bases when it invested (brilliantly) in OpenAI back in 2019, just as IBM may have done when it launched its PC in 1981. However, the PC cycle shows that revenues, installed bases, brands and customer loyalty count for little when an architectural shift renders technical foundations obsolete. Lotus had the dominant spreadsheet. WordPerfect had the dominant word processor. Novell had the dominant network. None of it mattered. Current debates about near-term software model challenges look remarkably small relative to AI's likely disruptive impact on existing clearing prices and digital profit pools over time.

(8) **END OF US EXCEPTIONALISM?**

This might partly explain why US market leadership is waning. The Company is at its largest US underweight in many years, principally from reducing software/internet exposure and reinvesting in semiconductors/hardware assets in Japan, South Korea and Taiwan, as well as in the US.

However, all is not lost for US technology. America enjoys strong or dominant positions in AI chips, storage, power, optical networking and other components, and is winning the frontier model race led by Anthropic, OpenAI and Google. Beyond AI, the US holds strong positions in aerospace/ defence, space, autonomous vehicles and humanoid robots.

This is likely to become more apparent as the IPO (initial public offering) market recovers following another subdued year. The outlook for issuance is genuinely exciting should OpenAI and Anthropic become public as reported. SpaceX could also ignite the IPO market while refreshing the quality and narrative of the US-listed technology universe. In our view - from a distance, given we have not seen their financials - all three are world-class, pure-play assets on critical investment themes. We are also keeping a close eye on Databricks and Stripe, both scaled mission-critical platforms.

(9) **LATER, BUT STILL NOT A BUBBLE**

After a remarkable year, some of our 'bubble' indicators have moved up a notch. However, we still feel AI stocks are not in bubble territory and the current backdrop more closely resembles the mid- rather than late-1990s. Valuations look expensive relative to history but undemanding relative to the market - and far from 2000, when technology comprised 32% of market cap but only 12% of earnings, compared to 43% of the market cap (including communication services) and 38% of earnings today. The IPO market remains far from bubble conditions - just 31 venture-capital-backed technology companies went public last year (14 in 2024), versus 370 and 261 in 1999 and 2000 respectively. The average age at listing was 14 and 12 years for 2024 and 2025 deals, rather than five years for the 1,400 companies that went public between 1995 and 2000.

M&A (mergers and acquisitions) are another useful bubble indicator. Even ignoring software deals we consider defensive or private equity-related, 2025 was much busier for AI-related M&A - disclosed deal value of $120-125bn including software and security, c$50-55bn for pure hardware, infrastructure and talent acquisitions compared to $10-12bn in 2024. The 5-6x like-for-like increase looks more reminiscent of the mid-1990s when telecom and internet M&A increased 4-5x between 1995 and 1996. As a share of index market cap (up almost nine-fold since 1996), last year's activity looks even less significant and most of the largest deals were cash, not equity financed.

There has been a greater use of debt financing relative to earlier AI capex. According to the Financial Times, Oracle, Meta, xAI and CoreWeave have structured over $120bn of AI data centre financing through off-balance-sheet SPVs (special purpose vehicles), while UBS estimates $125bn flowed into AI-related project finance during 2025. We are not unduly concerned - most resemble sensible financing structures for long-life infrastructure assets, not dissimilar to aircraft leasing. The best borrowers continue to enjoy easy access to capital - Google's $32bn bond sale in February was 10x oversubscribed and completed within 24 hours. Nevertheless, the industry's need for external capital speaks to the scale and maturity of current capex plans. Pockets of exuberance are to be expected: in August 2025, OpenAI CEO Sam Altman called it "insane" that some tiny AI startups - "three people and an idea" - were being funded at billion-dollar valuations. While data points like this are unsettling, excitable private markets also reflect an acute shortage of AI talent.

(10) **VOLATILITY LIKELY**

We still consider current conditions more analogous to the mid- rather than late-1990s and, as previously warned, the volatility that accompanied that period should be anticipated. The NASDAQ experienced seven corrections of more than 15% between 1995 and 1998, despite delivering substantial returns. Volatility should be considered an inherent feature of transformative technological transitions. This was certainly the case in 2025, a remarkable year punctuated by DeepSeek (which saw an AI leaders basket drop 18%) and Liberation Day tariffs (which triggered a 9% S&P 500 decline, pushed the VIX - a measure of volatility in the S&P 500 - to 60 (anything above 50 is cause for concern) and wiped roughly $5trn in market cap). Realised volatility ran at 19% - the 83rd historical percentile - and the largest peak-to-trough S&P 500 drawdown was 19%, nearly double the annual median of 10%. We expect heightened volatility to persist - elevated P/E ratios, tight corporate spreads, rising government debt, unprecedented AI capital spending, broadening AI disruption and record retail participation all leave markets with less margin for error should narratives shift.

**AI cycle update**

(11) **RAPID ADOPTION: USERS AND TOKENS**

AI adoption continues to significantly outpace historic trends seen with the PC, internet and smartphone. OpenAI recently announced it had reached 900 million weekly active users (WAU) with ambitions to grow to 2.6 billion WAU by 2030 while Google's Gemini AI surpassed 750 million monthly active users (MAU). User growth has helped drive AI usage, as measured by token growth which had been compounding at 4-5x annualised before appearing to accelerate to 9x annualised growth in January. In Altman's words, reasoning and agentic have taken AI into a "new phase where frontier AI moves from research into daily use at global scale".

(12) **ENTERPRISE ADOPTION BEGINS**

This is evident from Anthropic's revenue trajectory. Having ended 2024 at $1bn, Anthropic's annualised recurring revenue (ARR) reached a remarkable $14bn in February 2026, making it, at the time, the fastest-scaling business to business (B2B) company in the history of software. Since then, ARR exploded to $19bn in March, $30bn in April and - according to reports - $47bn in May. This is truly unprecedented; no company in history, to our knowledge, has ever reached $30bn of ARR within four years, let alone $47bn.

This revenue breakout reflects an inflection in enterprise AI adoption which had previously trailed consumer adoption due to early scepticism and inconsistent model performance. This is clearly no longer the case, with measurable productivity gains driving demonstrable RoI. Anthropic's analysis of Claude usage shows a median 84% time saving per conversation, concentrated in the 80-90% range for multi-step cognitive work. AI is collapsing the coordination cost of knowledge work, creating a self-reinforcing adoption loop: freed capacity justifies further investment in AI infrastructure and tooling.

As discussed in last year's Annual Report, agentic AI represents the architectural breakthrough that enables enterprise adoption because enterprises are built on repetitive, multi-step workflows that are too complex for a simple prompt but do not require human judgement at every step. Unlike chat, agentic AI can integrate with existing systems and complete work. By 2028, technology research firm Gartner expects 15% of day-to-day work decisions to be made autonomously by AI agents.

(13) **RAPID MODEL PROGRESS**

The emergence of agentic AI reflects the extraordinary pace of underlying model progress during 2025, a year that began with the DeepSeek R1 shock and ended with an unprecedented wave of frontier releases. AI systems evolved rapidly from conversational chatbots into reasoning-driven, multimodal agents able to operate across text, image, audio and video with expanding autonomy. Frontier closed-source models delivered major advances in reasoning, hallucination reduction, multimodal capability and million-token context windows, with leading systems achieving gold medal standard mathematical performance alongside near-human or superhuman coding ability.

Open-source models also advanced rapidly, led by a wave of Chinese releases, including DeepSeek R1, that brought frontier-level performance to dramatically lower price points. Momentum accelerated further in early 2026 as systems such as Claude Code and open-source autonomous agents demonstrated how quickly AI is evolving from a passive assistant into a practical digital worker, while models such as Claude Mythos Preview hinted at levels of reasoning, autonomy and technical sophistication previously associated only with highly specialised human experts.

(14) **TASK-COMPLETION TIME HORIZON**

As previously discussed, agentic AI introduces the prospect of non-human scaling in cognitive labour. Accordingly, one of the most important frontier AI benchmarks today is the duration and complexity of tasks a system can reliably complete autonomously. The so-called task-completion time horizon measures the length of a task - based on expert human completion time - that an AI agent can successfully complete at a given level of reliability. A 50% time horizon represents the task duration at which an agent succeeds half the time. Until recently, the duration of tasks AI systems could complete was doubling roughly every seven months - already an extraordinary rate of progress - but since 2024 this pace has accelerated to closer to every four months. At this threshold, ChatGPT (2022) could autonomously perform tasks requiring less than a minute of human expert effort; GPT-5.2 (2025) could manage tasks exceeding six hours; Anthropic's Opus 4.6 (2026) - the model underpinning Claude Code - has reportedly extended this horizon to 14.5 hours.

(15) **THE CODING BREAKTHROUGH**

This remarkable progress has appeared first in coding. In early 2025, Anthropic launched Claude Code, a command-line

coding agent able to autonomously navigate codebases, write and edit code, run tests and commit changes with minimal human oversight. By September, Claude Code had reached $1bn ARR and, in December, Boris Cherny - its creator - stated that 100% of his commits (unit of code) were written by Claude + Opus 4.5. Daily GitHub commits attributed to Claude Code rose to 4% of all public GitHub commits, an extraordinary 43,000× increase in roughly 13 months. A commit is not code itself, but rather a snapshot of changes to a repository and one of the few observable, standardised time-series signals for software production.

While this may appear to be 'just' faster coding, it is better understood as non-human scaling and helps explain why AI has entered a more disruptive phase. The release of Cowork in January extended Claude Code to non-technical users. More importantly, as AI shifts from tool to autonomous worker, RoI follows. Although just one example, Anthropic's revenue trajectory also undermines earlier claims that AI revenues were insufficient to justify current levels of capex. Nor should it surprise us that systems capable of autonomously completing multi-hour tasks possess far greater economic value than those limited to minutes. Just as skyscrapers transformed the value of land by conquering vertical space (and thus it became economic to replace early skyscrapers with taller structures on the same site very quickly), so conquering cognitive depth is transforming the value of AI.

(16) **CODE AS A REASONING SUBSTRATE**

The coding breakthrough also matters because code has become part of the reasoning process itself, rather than merely an output. Frontier models increasingly use code to externalise state, memory, iteration and precision into deterministic systems better suited to those tasks. A useful analogy is using AI to calculate a tax return. Previously, the LLM had to perform the entire calculation within token space: interpreting the tax code, applying thresholds, carrying figures forward and holding all dependencies simultaneously in memory, with small reasoning errors compounding along the way. Today, the model is not doing the tax return directly - it writes the system that does the tax return. The reasoning and synthesis still come from the model, but calculation, state management and iteration are offloaded into Python. By externalising or offloading cognition, a probabilistic LLM produces deterministic, repeatable output.

(17) **CAPEX AND THE AI RACE**

In his 2020 shareholder letter, CEO Jeff Bezos quantified the value of Amazon Prime in terms of time saved. He estimated Prime saved members more than 75 hours annually versus physical store trips, valuing that at roughly $630 per member against a subscription price of $119. Time is also a useful lens through which to view AI progress, given that many of the key benchmarks are denominated in time, including autonomous task duration and the acceleration of human work. Applying this framework to the developed-world knowledge wage bill ($23trn), assuming half is addressable by current AI and using Anthropic's estimate of 80% time savings, generates $9-10trn in equivalent labour value. Applying an Amazon-style 16% capture rate suggests a potential AI revenue opportunity more than $1trn today - and this captures only the current visible market opportunity. In 1998, the internet addressable market was framed as a share of the existing $500bn global advertising market; today, e-commerce, digital advertising and video streaming together exceed $7trn. AI may unlock similarly large invisible markets that are difficult to frame today.

(18) **LOOKS LIKE CONVERGENCE…**

From a distance, AI models appear to be converging. On benchmarks such as MMLU (massive multitask language understanding), leading systems now cluster above 85%, while open-source models often launch at 90% of frontier performance and close much of the remaining gap within months. Chinese models are believed to trail US frontier labs by less than a year, while architectures themselves are converging around mixture-of-experts (MoE) designs. DeepSeek's release of R1 in January 2025 crystallised the commoditisation narrative: it matched OpenAI's o1 on many benchmarks while charging just $2.19 per million output tokens versus o1's $60. Today, open-weight models such as Qwen3 and Meta AI's Llama 4 offer near-frontier capability at close to zero marginal cost.

This convergence, however, is largely a mirage. Static benchmarks obscure widening gaps in economically valuable capabilities. On SWE-bench Pro - a demanding real-world coding benchmark - frontier models such as Claude Opus and GPT-5 solve more than 20% of tasks, while open-weight Qwen3 32B achieves just 3.4%. Frontier systems also reason differently, exhibit distinct strengths and produce materially different outputs. Unlike compute or storage, cognition is not fungible. That helps explain why closed-source models still account for roughly 80% of token usage and 96% of industry revenue despite costing, on average, eight times more per token than open alternatives.

(19) **FRONT-RUNNERS BREAKING AWAY FROM THE PACK**

Today, the frontier appears increasingly concentrated around three companies: Anthropic, OpenAI and Google DeepMind. Everyone else is either a tier below or reliant on one of these for their intelligence layer. That these three companies' models are clustered or trading positions in benchmarks is not evidence of commoditisation. It means that only they are today able to compete at this level. Meta is spending enormous sums, but Llama is today a strong open-weight model, not a frontier one. Amazon Nova competes on cost, not capability. Smaller and open-weight models can match frontier performance on isolated tasks but degrade sharply when each step depends on the previous one.

This heightened level of intensity is evident in soaring capex budgets, high-profile talent wars and faster model iteration. In less than a month during late 2025, four frontier labs launched their most powerful models: Grok 4.1, Gemini 3, Claude Opus 4.5 and GPT-5.2. Since then, the pace has only accelerated. The leading labs are locked in a pace that is self-reinforcing: every capability jump resets the field and compresses the interval to the next one, with perceived leadership shifting with each new model breakthrough. Huge differences in token prices for the most capable models indicate the market reality of the returns to frontier intelligence.

The AI race is one the smartest companies know they cannot afford to lose. Now that agents are viable, it should be clear that the LLM increasingly resembles the operating system of the agentic world - the layer that interprets intent and orchestrates execution. Any company without a frontier model is building on someone else's operating system, exposed to margin compression, feature absorption and - in an age of abundant code - rapid obsolescence.

That is why capex budgets can be both historic and entirely rational. Following an extraordinary 2025, AI capex is now expected to approach $800bn (+70% y/y) this year. Amazon, Alphabet, Meta, Microsoft and Oracle alone plan to spend as much as $690bn (+60% y/y) from already historic 2025 levels, while China is also scaling rapidly with $125bn spent on AI capex last year. Between the two blocs, global AI infrastructure spending is approaching $1trn annually. The conviction behind it is simple: the industry is supply constrained, AI workloads will consume every available unit of compute capacity and the penalty for underbuilding is existential. The cost of staying in the race is also compounding, with each generation of frontier model requiring roughly an order of magnitude more compute alongside a rapidly growing inference burden - inference workloads already consume over 55% of AI-optimised infrastructure spending in 2026, up from a third in 2023.

(20) **WHO COULD LEAVE THE TABLE?**

While each participant in the AI race has their own motivations, history suggests that as the ante rises the number of players thins out. The xAI/SpaceX merger - while framed around the vision of orbital data centres - may have been a

strategy to ensure that xAI had access to the capital required to stay in the AI race. Oracle plans to raise $45-50bn in debt and equity this year having spent like a hyperscaler without the balance sheet of one. At the same time, others could yet join the game: Microsoft could enter the frontier race having relied on OpenAI for model access, with Microsoft AI CEO Mustafa Suleyman explicit in wanting Microsoft models "at the absolute frontier". Apple also remains a wildcard, with $130bn in cash and its CEO due to step down in September. As for the AI labs, both continue to raise capital relatively easily: in February, Anthropic closed a
$30bn funding round while OpenAI raised $110bn, the largest private financing in history.

(21) **DISRUPTION, ACCELERATED**

In today's digital economy, attention scarcity is monetised at every layer. Instead of the so-called 'long tail', we created vast new digital gatekeepers that helped humans make informed choices from an almost infinite range of alternatives. Data exploded 32-fold in a decade, helping to defend, optimise and scale the digital winners into the natural monopolies that many are today. However, AI represents three principal risks to these profit pools: abundant code, non-human actors, and a natural language interface.

**Abundant code**: The modern digital economy rests on roughly 2.8 trillion lines of code written over the past two decades, of which perhaps one trillion lines remain actively maintained. In 2010, the world produced around 33 billion lines of new or modified code per year; by 2024, AI coding assistants were producing 256 billion lines, with 41% of all new code now AI-generated. Today, tools like Claude Code and OpenAI's Codex can independently write software, improve existing code and even submit completed updates with minimal human involvement. The cost per line of code has followed: from $7-15 pre-AI, to $2-4 with assistants, to sub-$2 with agentic systems - and falling, as token prices decline at roughly 90% per year. The digital platforms were built when code was scarce and expensive. Today, the marginal cost of code is converging on zero.

**Non-human actors**: Pre-AI digital profit pools were earned by solving a real problem: helping humans navigate infinite choice and monetising the time/value trade-off at the heart of every digital interaction. 'Time is money' has underpinned two centuries of economic logic, and the entire margin structure of the digital platforms, but agents have infinite time. A human will pay for a shortcut; an agent will simply do the work. That distinction matters because the moats that took a decade to build - network effects; data flywheels; switching costs - were durable in a world where iteration was slow, learning was expensive and time was scarce. Agents face none of these constraints. They operate on a different efficient frontier, optimising for compute costs, not time.

**Natural language interface**: Every previous interface revolution made software easier to use, e.g. command line to graphical user interface to touchscreen. Each also diminished the value of incumbency, breaking habits and rendering previous workflows obsolete. However, the LLM is significantly more disruptive. It responds to intent, not instruction, unbundling the human operator from the application itself and making software redundant as an interface layer.

Abundant code lowers the barriers to entry. Non-human actors erode the willingness to pay. The natural language interface unbundles the user from the application. Together, they represent a profound challenge to many digital incumbents.

In information services, AI can approximate datasets that were previously valuable because they were hard to assemble rather than fundamentally secret. The moat was never the data, but the human labour required to collect, synthesise and curate it. AI collapses that labour by 80-90%. In software, three moats look challenged -
data trapped inside the application, workflow lock-in from learning the user interface (UI) and integration complexity between systems. In an AI-first world, the application becomes a backend service that the LLM orchestrates, not a product that a human operates.

Advertising - worth $1trn by 2028 - also appears AI-exposed. Performance advertising is today built on attention scarcity with platforms monetising the space between intent and action. Agentic commerce may also reshape e-commerce - Morgan Stanley estimates agentic gross merchandise value could reach $190bn in a base case and $385bn in a bull case by 2030, implying 10-20% of US e-commerce. Content is likely to be highly disrupted too, as high-quality AI-assisted video content continues to improve and become significantly cheaper. Last year, UK creative agency headcount fell 14% year-on-year, the steepest decline since records began. Within five years, McKinsey estimates $60bn of content revenue could be redistributed.

These areas potentially at risk from disruption are not exhaustive. Any business whose competitive advantage exists purely as executable code sits on a different risk curve. Disruption risk extends well beyond code; agentic AI systematically attacks confusion, inertia and opacity - three of the most profitable features of the consumer economy today.

**Technology risks**

As we have previously outlined, the principal technology risk to the AI cycle and our portfolio is that the pace of model progress, adoption or monetisation fails to justify the historic level of infrastructure investment currently underway. Much depends on continued confidence in scaling laws; however, these are empirically observed rather than theoretically derived and there is no fundamental reason they must continue indefinitely. Data scarcity, diminishing returns from pre-training or an architectural breakthrough that invalidates the current paradigm could each flatten the current trajectory.

Regulation adds a further layer of uncertainty. The EU AI Act is now in force, US state-level legislation is proliferating and unresolved copyright litigation could yet establish precedents that materially alter the economics of frontier model development. More broadly, sufficiently rapid advances in frontier capability could provoke direct state intervention, including licensing regimes, restrictions on model releases or greater government oversight of frontier labs, any of which could alter how AI value accrues across the ecosystem.

There are also risks associated with the financing of this investment cycle. While we are broadly comfortable with the increasingly interconnected capital flows between industry participants - which we view as a form of vertical integration in a stack no single company fully controls - they nevertheless create system-level fragility. The structure depends on AI revenues materialising on a timeline compatible with capital deployment. JP Morgan estimates cumulative AI capex requirements of $5.3trn through 2030, with a $1.4trn financing shortfall emerging even after hyperscaler cashflows, investment-grade bond issuance, securitisation and leveraged finance are fully utilised. Private credit is expected to bridge much of that gap, although recent indicators have been mixed.

Hyperscaler balance sheets are also becoming materially more capital intensive: the roughly $2trn of AI assets planned by the five largest hyperscalers could imply annual depreciation expense of $400bn by 2030, greater than their combined 2025 profits. Except for Alphabet, none of the hyperscalers currently controls a leading frontier model, meaning current spending increasingly resembles a Red Queen dynamic in which participants must keep running simply to maintain competitive positioning.

The AI cycle is also exposed to a range of infrastructure and supply-chain risks. AI demand remains constrained by the availability of power, networking, advanced semiconductors, memory, packaging and data centre capacity, leaving the industry vulnerable to bottlenecks, delays and cost inflation. Power may prove the most underappreciated constraint. Training and serving frontier models increasingly requires gigawatt-scale infrastructure. US grid interconnection queues are measured in years, and new gas turbine delivery times now extend to 5-7 years.

Geopolitical tensions represent a further material risk, particularly around Taiwan and US/China relations, given Taiwan's dominant role in advanced semiconductor manufacturing and China's importance across both supply and demand. Export controls, tariff escalation, restrictions on rare earth minerals or disruption to semiconductor supply chains could materially affect AI infrastructure deployment, sector valuations and, by extension, our 'AI maximalist' portfolio positioning.

**Our AI bull case: cognitive abundance**

The industry's most prominent figures have made predictions that would once have sounded absurd. Anthropic CEO Dario Amodei has argued that AI-enabled biology and medicine may condense 50-100 years of human progress into 5-10. In his recent essay The Adolescence of Technology, he defines "powerful AI" as a system smarter than a Nobel Prize winner across most relevant fields, able to carry out tasks autonomously, with enough compute to run millions of instances of itself - a "country of geniuses in a data centre" - and in 2024 suggested this could be as little as 1-2 years away. DeepMind CEO Demis Hassabis has spoken of drug discovery becoming a thousand times more efficient while Sam Altman has suggested AI could compress a decade of scientific progress into a single year. While these claims echo Ray Kurzweil's long-standing view that technological progress compounds far faster than human intuition allows, they also assume cognitive abundance: AI cheap and continuous enough to put billions of minds to work in parallel.

There is a precedent for abundance turning a known resource from input to substrate. By 1901, oil - refined into kerosene - lit the world's lamps. While it had already made Standard Oil one of the most valuable companies on earth, everything that moved the economy - the trains, the ships, the factories - ran on coal. For the same heat, oil cost four times as much.

Spindletop changed that. On 10 January 1901, the Lucas gusher on Spindletop - a salt-dome hill in Texas - blew oil 150 feet into the air at 100,000 barrels a day, more than every other US well combined at the time. The price collapsed to three cents a barrel - for a time, cheaper than water - and oil became something to burn rather than merely to light. Within the year, railroads and steamships began converting from coal, and within a decade a lamp fuel had become the substrate of the industrial world.

Today, intelligence is the kerosene of the modern economy. The breakthrough in task duration may be AI's Spindletop. If so, the claims of Altman and his peers are not so fantastical - and the question becomes not whether to dismiss them, but what would need to be true for them to be even directionally right.

The easiest way to underestimate AI is to mistake the current interface for the underlying capability. ChatGPT is to AI what the telegraph was to electricity - a narrow early application of a far more significant general-purpose technology. We ask AI to slot into workflows designed around scarce, expensive human attention, just as early factories bolted electric motors onto steam-era layouts. The deeper opportunity is to redesign around abundant cognition from the outset. The binding constraint today is not cost - at current token prices, even an Edison-scale invention is computationally cheap - but continuity: reliable, persistent, reality-linked cognition over long durations. That bottleneck does not look permanent. Context windows are expanding, memory architectures improving, agents are learning to coordinate tools and sub-tasks over extended horizons.

The deeper implication is institutional. No single human mind could hold the Apollo space programme end-to-end; tens of thousands of people each understood a fragment - heat shields, guidance software, orbital mechanics etc made compatible through shared standards, hierarchies and records. Bureaucracy, in Weber's sense, was itself a form of externalised rationality: the historical solution to cognitive scarcity was to break problems into human-sized pieces and build institutions to coordinate them. AI does not merely substitute for the specialists working on those fragments. As context, memory and agency scale, it begins to encroach on the institution's deeper function - the coordinating intelligence that keeps the whole problem in view.

The richest problems - protein folding; materials discovery; climate modelling; drug design - sit at the intersection of domains no individual human can hold simultaneously in their mind. Specialisation was the workaround; the polymath was the rare exception. Abundant cognition collapses that constraint, allowing combinatorial search across domains that humans could only ever explore sequentially. The prize is problem-solving systems whose logic we can observe in operation without ever fully containing it in thought. Asked why LLMs work at all, Noam Shazeer, one of the architects of the transformer, replied: "My best guess is divine benevolence. Nobody really understands what's going on."

Oil transformed existing markets - ships and railways - but its real consequence lay elsewhere. Oil was a liquid; the change of state opened markets a solid could never reach: the automobile, and behind it the aeroplane, the highway, the petrochemical economy - none of which was visible from the boiler room. So it is likely to prove with cognition. The cheaper, faster analysis available today is remarkable but still only substitution. The transformation lies in the markets that could not previously exist at all: the space of things worth trying that we have never been able to afford to try.

This is why the 'low-hanging fruit has been picked' objection collapses. The sequence space for a modestly sized protein is $10^{260}$; nature has produced perhaps $10^{13}$ across all species. The space of drug-like molecules is estimated at $10^{60}$; chemistry has synthesised roughly $10^{8}$. DeepMind's GNoME work expanded the catalogue of stable inorganic crystals from 20,000 to 421,000 in a single study - centuries of experimental progress in one pass and still a negligible fraction of the wider design space. The fruit was never too high. We have barely entered the orchard.

**Ben Rogoff & Ali Unwin**
**9 July 2026***

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

**PORTFOLIO POSITIONING**

| By Market Capitalisation | % of total invested assets<br>Benchmark weighting<br>30 April 2026 | % of total invested assets<br>30 April 2026 | % of total invested assets<br>30 April 2025 |
|---|---|---|---|
| **Large Cap (>$10bn)** | **97.3** | **96.4** | **89.4** |
| **Mid Cap (>$1bn-$10bn)** | **2.5** | **3.4** | **10.1** |
| **Small Cap (<$1bn)** | **0.2** | **0.2** | **0.5** |
| **Total** | | **100.0** | **100.0** |

| By Region | Benchmark weighting<br>30 April 2026 | % of total net assets<br>30 April 2026 | % of total net assets<br>30 April 2025 |
|---|---|---|---|
| **US & Canada** | **79.9** | **62.9** | 71.9 |
| **Asia Pacific (ex-Japan)** | **13.8** | **17.9** | 12.1 |
| **Japan** | **2.0** | **6.9** | 2.1 |
| **Other Net Assets** | **-** | **6.5** | 3.7 |
| **Europe (inc - UK)** | **4.1** | **5.3** | 6.2 |
| **Middle East & Africa** | **0.2** | **0.5** | 3.1 |
| **Latin America** | **-** | **-** | 0.9 |
| **Total** | | **100.0** | **100.0** |

All data sourced from Polar Capital LLP.

**CLASSIFICATION OF INVESTMENTS***
as at 30 April 2026

| | North America (inc. Latin America) % | Europe % | Asia Pacific (inc. Middle East) % | **Total 30 April 2026 %** | Total 30 April 2025 % | Benchmark Weightings as at 30 April 2026 % |
|---|---|---|---|---|---|---|
| Semiconductors & Semiconductor Equipment | 26.9 | 1.7 | 9.9 | 38.5 | 28.8 | 42.8 |
| Interactive Media & Services | 10.9 | - | 0.6 | 11.5 | 11.6 | 17.1 |
| Electronic Equipment, Instruments & Components | 4.7 | 0.4 | 6.0 | 11.1 | 5.5 | 0.3 |
| Technology Hardware, Storage & Peripherals | 6.6 | - | 3.5 | 10.1 | 6.4 | 16.9 |
| Electrical Equipment | 1.6 | 2.2 | 1.5 | 5.3 | 2.1 | - |
| Communications Equipment | 3.4 | 0.5 | 0.7 | 4.6 | 2.8 | 2.8 |
| IT Services | 2.8 | - | - | 2.8 | 5.5 | 2.9 |
| Software | 2.4 | - | - | 2.4 | 19.2 | 16.2 |
| Broadline Retail | 1.7 | - | 0.6 | 2.3 | 3.7 | - |
| Machinery | 0.6 | - | 0.5 | 1.1 | 0.1 | - |
| Healthcare Equipment & Supplies | - | - | 0.6 | 0.6 | 0.7 | - |
| Wireless Telecommunication Services | - | - | 0.6 | 0.6 | - | - |
| Automobiles | 0.5 | - | - | 0.5 | 0.8 | - |
| Aerospace & Defence | 0.3 | 0.2 | - | 0.5 | 1.2 | - |
| Capital Markets | 0.4 | - | - | 0.4 | 0.9 | - |
| Chemicals | - | - | 0.4 | 0.4 | 0.1 | - |
| Entertainment | - | 0.3 | - | 0.3 | 4.1 | 0.3 |
| Metals & Mining | - | - | 0.3 | 0.3 | - | - |
| Construction & Engineering | - | - | 0.1 | 0.1 | - | - |
| Diversified Telecommunication Services | 0.1 | - | - | 0.1 | - | 0.1 |
| Hotels, Restaurants & Leisure | - | - | - | - | 0.7 | - |
| Financial Services | - | - | - | - | 0.7 | - |
| Healthcare Technology | - | - | - | - | 0.4 | - |
| Professional Services | - | - | - | - | 0.3 | - |
| Real Estate Management & Development | - | - | - | - | 0.3 | - |
| Building Products | - | - | - | - | 0.2 | - |
| Specialty Retail | - | - | - | - | 0.1 | - |
| Trading Companies & Distributors | - | - | - | - | 0.1 | - |
| **Total investments (£6,846,646,000)** | **62.9** | **5.3** | **25.3** | **93.5** | **96.3** | |
| Other net assets (excluding loans) | 5.9 | 0.5 | 1.1 | 7.5 | 5.8 | |
| Loans | - | - | (1.0) | (1.0) | (2.1) | |
| **Grand total (net assets of £7,324,872,000)** | **68.8** | **5.8** | **25.4** | **100.0** | - | |
| At 30 April 2025 (net assets of £3,804,889,000) | 74.8 | 6.6 | 18.6 | - | 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.

**FULL PORTFOLIO as at 30 April 2026**

| | | | | Value of holding | | % of net assets | |
|---|---|---|---|---|---|---|---|
| | | | | 30 April | 30 April | 30 April | 30 April |

| Ranking | | | | | 2026 | 2025 | 2026 | 2025 |
|---|---|---|---|---|---|---|---|---|
| 2026 | 2025 | Stock | Sector | Region | £'000 | £'000 | % | % |
| 1 | (1) | Nvidia | Semiconductors & Semiconductor Equipment | North America | 650,148 | 342,219 | 8.9 | 9.0 |
| 2 | (7) | Alphabet | Interactive Media & Services | North America | 620,791 | 151,504 | 8.5 | 4.0 |
| 3 | (6) | Taiwan Semiconductor | Semiconductors & Semiconductor Equipment | Asia Pacific | 373,653 | 153,370 | 5.1 | 4.0 |
| 4 | (5) | Broadcom | Semiconductors & Semiconductor Equipment | North America | 360,179 | 162,907 | 4.9 | 4.3 |
| 5 | (22) | Advanced Micro Devices | Semiconductors & Semiconductor Equipment | North America | 278,760 | 38,698 | 3.8 | 1.0 |
| 6 | (-) | Samsung Electronics | Technology Hardware, Storage & Peripherals | Asia Pacific | 190,947 | - | 2.6 | - |
| 7 | (4) | Apple | Technology Hardware, Storage & Peripherals | North America | 177,040 | 185,568 | 2.4 | 4.9 |
| 8 | (3) | Meta Platforms | Interactive Media & Services | North America | 174,315 | 240,661 | 2.4 | 6.3 |
| 9 | (-) | Intel | Semiconductors & Semiconductor Equipment | North America | 160,377 | - | 2.2 | - |
| 10 | (41) | Micron Technology | Semiconductors & Semiconductor Equipment | North America | 147,064 | 28,327 | 2.0 | 0.7 |
| **Top 10 investments** | | | | | **3,133,274** | | **42.8** | |
| 11 | (-) | Sandisk | Technology Hardware, Storage & Peripherals | North America | 146,798 | - | 2.0 | - |
| 12 | (17) | Amazon.com | Broadline Retail | North America | 125,836 | 49,473 | 1.7 | 1.3 |
| 13 | (2) | Microsoft | Software | North America | 122,580 | 258,174 | 1.7 | 6.8 |
| 14 | (29) | SK Hynix | Semiconductors & Semiconductor Equipment | Asia Pacific | 116,418 | 35,455 | 1.6 | 0.9 |
| 15 | (45) | Elite Material | Electronic Equipment, Instruments & Components | Asia Pacific | 101,805 | 26,580 | 1.4 | 0.7 |
| 16 | (-) | Western Digital | Technology Hardware, Storage & Peripherals | North America | 98,812 | - | 1.3 | - |
| 17 | (-) | Lam Research | Semiconductors & Semiconductor Equipment | North America | 95,914 | - | 1.3 | - |
| 18 | (14) | KLA | Semiconductors & Semiconductor Equipment | North America | 91,104 | 55,399 | 1.2 | 1.5 |
| 19 | (52) | ASML | Semiconductors & Semiconductor Equipment | Europe | 86,204 | 19,613 | 1.2 | 0.5 |
| 20 | (36) | Celestica | Electronic Equipment, Instruments & Components | North America | 80,261 | 31,122 | 1.1 | 0.8 |
| **Top 20 investments** | | | | | **4,199,006** | | **57.3** | |
| 21 | (32) | Ciena | Communications Equipment | North America | 80,230 | 34,743 | 1.1 | 0.9 |
| 22 | (10) | Arista Networks | Communications Equipment | North America | 78,481 | 69,589 | 1.1 | 1.8 |
| 23 | (-) | TTM Technologies | Electronic Equipment, Instruments & Components | North America | 74,149 | - | 1.0 | - |
| 24 | (-) | Siemens Energy | Electrical Equipment | Europe | 74,090 | - | 1.0 | - |
| 25 | (59) | MACOM Technology Solutions | Semiconductors & Semiconductor Equipment | North America | 71,750 | 15,748 | 1.0 | 0.4 |
| 26 | (47) | TDK | Electronic Equipment, Instruments & Components | Asia Pacific | 68,471 | 22,911 | 1.0 | 0.6 |
| 27 | (-) | Asia Vital Components | Technology Hardware, Storage & Peripherals | Asia Pacific | 68,242 | - | 0.9 | - |
| 28 | (-) | Fujikura | Electrical Equipment | Asia Pacific | 67,969 | - | 0.9 | - |
| 29 | (49) | Flex | Electronic Equipment, Instruments & Components | North America | 66,234 | 21,733 | 0.9 | 0.6 |
| 30 | (9) | Cloudflare | IT Services | North America | 64,908 | 79,538 | 0.9 | 2.1 |
| **Top 30 investments** | | | | | **4,913,530** | | **67.1** | |
| 31 | (51) | Coherent | Electronic Equipment, Instruments & Components | North America | 64,620 | 20,150 | 0.9 | 0.6 |
| 32 | (-) | Seagate Technology | Technology Hardware, Storage & Peripherals | North America | 64,362 | - | 0.9 | - |
| 33 | (-) | Prysmian | Electrical Equipment | Europe | 63,502 | - | 0.9 | - |
| 34 | (-) | Delta Electronics | Electronic Equipment, Instruments & Components | Asia Pacific | 63,023 | - | 0.9 | - |
| 35 | (12) | Shopify | IT Services | North America | 61,034 | 60,224 | 0.8 | 1.5 |
| 36 | (-) | Samsung Electro-Mechanics | Electronic Equipment, Instruments & Components | Asia Pacific | 60,748 | - | 0.8 | - |
| 37 | (28) | eMemory Technology | Semiconductors & Semiconductor Equipment | Asia Pacific | 54,879 | 36,688 | 0.7 | 1.0 |
| 38 | (-) | Disco | Semiconductors & Semiconductor Equipment | Asia Pacific | 53,924 | - | 0.7 | - |
| 39 | (-) | Ibiden | Electronic Equipment, Instruments & Components | Asia Pacific | 49,713 | - | 0.7 | - |
| 40 | (-) | Lumentum | Communications Equipment | North America | 49,650 | - | 0.7 | - |
| **Top 40 investments** | | | | | **5,498,985** | | **75.1** | |
| 41 | (24) | GE Vernova | Electrical Equipment | North America | 48,259 | 38,540 | 0.7 | 1.0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 42 | (-) | Furukawa Electric | Electrical Equipment | Asia Pacific | 48,073 | - | 0.6 | - |
| 43 | (21) | Vertiv | Electrical Equipment | North America | 47,961 | 41,332 | 0.6 | 1.1 |
| 44 | (-) | SoftBank Group | Wireless Telecommunication Services | Asia Pacific | 45,557 | - | 0.6 | - |
| 45 | (13) | Alibaba | Broadline Retail | Asia Pacific | 45,147 | 58,628 | 0.6 | 1.5 |
| 46 | (-) | Caterpillar | Machinery | North America | 43,644 | - | 0.6 | - |
| 47 | (-) | MPI | Semiconductors & Semiconductor Equipment | Asia Pacific | 43,535 | - | 0.6 | - |
| 48 | (18) | Tencent | Interactive Media & Services | Asia Pacific | 42,775 | 47,580 | 0.6 | 1.2 |
| 49 | (20) | Corning | Electronic Equipment, Instruments & Components | North America | 42,293 | 42,451 | 0.6 | 1.1 |
| 50 | (70) | Hoya | Healthcare Equipment & Supplies | Asia Pacific | 40,660 | 11,409 | 0.6 | 0.3 |
| **Top 50 investments** | | | | | **5,946,889** | | **81.2** | |
| 51 | (-) | Amada | Machinery | Asia Pacific | 40,092 | - | 0.5 | - |
| 52 | (-) | STMicroelectronics | Semiconductors & Semiconductor Equipment | Europe | 38,690 | - | 0.5 | - |
| 53 | (-) | Monolithic Power Systems | Semiconductors & Semiconductor Equipment | North America | 37,676 | - | 0.5 | - |
| 54 | (35) | Tesla | Automobiles | North America | 36,421 | 31,138 | 0.5 | 0.8 |
| 55 | (85) | Fabrinet | Electronic Equipment, Instruments & Components | Asia Pacific | 34,005 | 5,550 | 0.5 | 0.1 |
| 56 | (-) | Tower Semiconductor | Semiconductors & Semiconductor Equipment | Asia Pacific | 33,095 | - | 0.5 | - |
| 57 | (-) | Hon Precision | Semiconductors & Semiconductor Equipment | Asia Pacific | 32,586 | - | 0.5 | - |
| 58 | (31) | Robinhood Markets | Capital Markets | North America | 31,399 | 34,817 | 0.4 | 0.9 |
| 59 | (-) | FormFactor | Semiconductors & Semiconductor Equipment | North America | 29,834 | - | 0.4 | - |
| 60 | (-) | Chroma ATE | Electronic Equipment, Instruments & Components | Asia Pacific | 29,790 | - | 0.4 | - |
| **Top 60 investments** | | | | | **6,290,477** | | **85.9** | |
| 61 | (-) | Halma | Electronic Equipment, Instruments & Components | Europe | 28,441 | - | 0.4 | - |
| 62 | (-) | Nokia | Communications Equipment | Europe | 27,643 | - | 0.4 | - |
| 63 | (33) | Crowdstrike | Software | North America | 27,446 | 34,179 | 0.4 | 0.9 |
| 64 | (-) | Accton Technology | Communications Equipment | Asia Pacific | 26,319 | - | 0.4 | - |
| 65 | (64) | Twilio | IT Services | North America | 25,737 | 13,980 | 0.3 | 0.4 |
| 66 | (-) | Shin-Etsu Chemical | Chemicals | Asia Pacific | 23,039 | - | 0.3 | - |
| 67 | (-) | Maruwa | Electronic Equipment, Instruments & Components | Asia Pacific | 22,897 | - | 0.3 | - |
| 68 | (72) | Affirm | IT Services | North America | 22,463 | 10,534 | 0.3 | 0.3 |
| 69 | (-) | Photronics | Semiconductors & Semiconductor Equipment | North America | 22,282 | - | 0.3 | - |
| 70 | (-) | Bloom Energy | Electrical Equipment | North America | 21,847 | - | 0.3 | - |
| **Top 70 investments** | | | | | **6,538,591** | | **89.3** | |
| 71 | (-) | Viavi Solutions | Communications Equipment | North America | 21,795 | - | 0.3 | - |
| 72 | (-) | Mitsui Kinzoku | Metals & Mining | Asia Pacific | 19,958 | - | 0.3 | - |
| 73 | (75) | SiTime | Semiconductors & Semiconductor Equipment | North America | 19,739 | 8,908 | 0.3 | 0.2 |
| 74 | (-) | Huber & Suhner | Electrical Equipment | Europe | 19,239 | - | 0.3 | - |
| 75 | (8) | Spotify Technology | Entertainment | Europe | 18,919 | 79,947 | 0.3 | 2.1 |
| 76 | (-) | Cisco Systems | Communications Equipment | North America | 18,554 | - | 0.2 | - |
| 77 | (-) | Rolls-Royce | Aerospace & Defence | Europe | 18,487 | - | 0.2 | - |
| 78 | (-) | Akamai Technologies | IT Services | North America | 16,836 | - | 0.2 | - |
| 79 | (-) | Globalwafers | Semiconductors & Semiconductor Equipment | Asia Pacific | 15,896 | - | 0.2 | - |
| 80 | (-) | Zoom Communications | Software | North America | 12,822 | - | 0.2 | - |
| **Top 80 investments** | | | | | **6,720,836** | | **91.8** | |
| 81 | (95) | Nlight | Electronic Equipment, Instruments & Components | North America | 12,809 | 1,003 | 0.2 | 0.1 |
| 82 | (91) | FOCI Fiber Optic Communications | Communications Equipment | Asia Pacific | 12,721 | 2,888 | 0.2 | 0.1 |
| 83 | (-) | MongoDB | IT Services | North America | 12,582 | - | 0.2 | - |
| 84 | (-) | Filtronic | Communications Equipment | Europe | 12,361 | - | 0.1 | - |
| 85 | (-) | Kajima | Construction & Engineering | Asia Pacific | 11,133 | - | 0.1 | - |
| 86 | (92) | MEC | Chemicals | Asia Pacific | 10,124 | 2,871 | 0.1 | 0.1 |
| 87 | (34) | Snowflake | IT Services | North America | 8,632 | 33,248 | 0.1 | 0.9 |
| 88 | (-) | Rocket Lab | Aerospace & Defence | North America | 6,971 | - | 0.1 | - |
| 89 | (38) | Palantir | Software | North America | 6,955 | 29,576 | 0.1 | 0.8 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Technologies | | | | | | |
| 90 | (-) | AST SpaceMobile | Diversified Telecommunication Services | North America | 6,825 | - | 0.1 | - |
| **Top 90 investments** | | | | | **6,821,949** | | **93.1** | |
| 91 | (-) | Radware | Communications Equipment | Asia Pacific | 5,937 | - | 0.1 | - |
| 92 | (-) | MDA Space | Aerospace & Defence | North America | 4,563 | - | 0.1 | - |
| 93 | (83) | Impinj | Semiconductors & Semiconductor Equipment | North America | 4,017 | 5,800 | 0.1 | 0.2 |
| 94 | (19) | Axon Enterprise | Aerospace & Defence | North America | 3,576 | 43,403 | 0.1 | 1.1 |
| 95 | (94) | Astroscale | Aerospace & Defence | Asia Pacific | 3,464 | 2,327 | - | 0.1 |
| 96 | (90) | Xometry | Trading Companies & Distributors | North America | 3,140 | 4,442 | - | 0.1 |
| 97 | (96) | Cermetek Microelectronics | Electronic Equipment, Instruments & Components | North America | - | 1 | - | - |
| | | **Total equities** | | | **6,846,646** | | **93.5** | |
| | | **Other net assets** | | | **478,226** | | **6.5** | |
| | | **Total net assets** | | | **7,324,872** | | **100.0** | |

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

**STRATEGIC REPORT**

This report has been provided in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The aim of this report is to provide information to Shareholders on the Company's strategy and the potential for such to succeed, including a fair review of the Company's performance during the year ended 30 April 2026, the position of the Company at the year end and a description of the principal risks and uncertainties, including both economic and business risk factors underlying any such forward-looking information.

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

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

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

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

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

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

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

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

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

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

**Changes to Investment Policy**
Any material change to the Investment Policy will require the approval of the Shareholders by way of an ordinary resolution at a general meeting. The Company will promptly issue an announcement to inform Shareholders and the public of any change to its Investment Policy. No changes to the Investment Policy are presently anticipated.

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

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

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

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

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

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

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

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

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

- The Company's interest in any one company will not exceed 10% of the gross assets of the Company, save where the Benchmark weighting of any investee company in the Company's portfolio exceeds this level, in which case the Company will be permitted to increase its exposure to such investee company up to the Benchmark 'neutral' weighting of that company or, if lower, 15% of the Company's gross assets.

- The Company will have a maximum exposure to companies listed in emerging markets (as defined by the MSCI Emerging Markets Index) of 25% of its net assets.

- The Company may invest in unquoted companies from time to time, subject to prior Board approval. Investments in unquoted companies in aggregate will not exceed 10% of the gross assets of the Company.

Such limits are measured at the time of acquisition of the relevant investment and whenever the Company increases the relevant holding.

In addition to the restrictions set out above, the Company is subject to Chapter 11 of the UK Listing Rules (UKLR) which apply to closed ended investment companies with a listing on the London Stock Exchange.

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

**Cash, Borrowings (Gearing) and Derivatives**
The Company may borrow money to invest in the Portfolio over both the long and short-term. Any commitment to borrow funds is agreed by the Board and the AIFM.

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

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

**Gearing and Derivatives**
The Company's Articles of Association permit borrowings up to the amount of its paid-up share capital plus capital and revenue reserves. The Company may use gearing in the form of bank loans which are used on a tactical basis by the Investment Manager, when considered appropriate. The Board monitors the level of gearing available to the Portfolio Manager and agrees, in conjunction with the AIFM, all bank facilities in accordance with the Investment Policy. The Board approves and controls all bank facilities and any net borrowings over 20% of the Company's net assets at the time of draw down will only be made after approval by the Board.

The Company has a three year fixed rate term loan of JPY 15bn from The Bank of Nova Scotia. The JPY loan is fixed at an all-in rate of 2.106% pa. This loan is due to be repaid in September 2027. Details of the loans are set out in Note 17 to the Financial Statements in the Annual Report.

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

**Future Developments**
The Board remains positive on the longer-term outlook for technology and the Company will continue to pursue its Investment Objective. The outlook for future performance is dependent to a significant degree on the world's financial markets and their reactions to economic events and other geopolitical forces. In accordance with the Articles of Association, a resolution to continue the Company was put to Shareholders at the AGM in September 2025 and was passed. The next continuation vote will be put to Shareholders at the AGM in 2030. 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 (2025: no dividend recommendation).

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

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

- Peel Hunt LLP were appointed as Corporate Broker from 12 January 2026. Stifel Nicolaus Europe Limited as Corporate Broker (until 12 January 2026);
- Equiniti Limited as Share Registrars;
- HSBC Securities Services as Custodian and Depositary;
- RD:IR for Investor Relations and Shareholder Analysis;
- Camarco as PR advisors;
- Perivan Limited as designers and printers for shareholder communications; and
- Huguenot Limited as Website Designers and internet hosting services.

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

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

Polar Capital provides a team of technology specialists led by Ben Rogoff. Each team member focuses on specific areas while Ben Rogoff, with Alastair Unwin as Deputy, has overall responsibility for the portfolio. Polar Capital also has other specialist and geographically focused investment teams which may contribute to idea generation. The technology investment team's biographies can be found in the Annual Report. The Investment Manager has other investment resources which support the investment team and has experience in administering and managing other investment companies.

**Management fee**
With effect from 1 May 2025, the base management fee paid by the Company monthly in arrears to the Manager is calculated on the daily Net Asset Value (NAV) as follows:

- Tier 1: 0.75 per cent. for such of the NAV up to and including £2bn.
- Tier 2: 0.60 per cent. for such of the NAV above £2bn.

Any investment in funds managed by Polar Capital are wholly excluded from the base management fee calculation. Management fees of £35,825,000 (2025: £30,854,000) have been paid for the year to 30 April 2026 of which £3,565,000 (2025: £2,246,000) was outstanding at the year end and accrued within the financial statements.

Under the terms of the IMA, the Board may undertake a three-yearly review of the fee arrangements, the next of which will be undertaken in the financial year ending 30 April 2028, with the anticipation that any changes proposed and subsequently agreed will take effect from the start of the following financial year. The Board is however at liberty to review the fees at any time should they deem it appropriate and in the best interests of Shareholders to do so.

**Longer-Term Viability**
In accordance with the AIC Code of Corporate Governance (AIC Code), the Company is required to make a forward-looking longer-term viability statement. The Board has considered and addressed the ability of the Company to continue to operate over a period significantly beyond the twelve-month period required for the going concern statement. The Board has considered the industry and market in which the Company operates and believes that despite the market volatility and geopolitical events experienced during the financial year under review, there continues to be a strong appetite for technology investment. The Board continues to use five years as a reasonable term over which the viability of the Company should be viewed; Shareholders have the opportunity to vote on the continuation of the Company every five years, therefore the outlook for the next five-year period incorporates the continuation vote which will be put to Shareholders at the AGM in 2030.

The process and matters considered in establishing the longer-term viability are detailed within the Audit Committee Report in the Annual Report. In establishing the positive outlook for the Company over the next five years to 30 April 2031, the Board has taken into account:

| | |
|---|---|
| The ability of the Company to meet its liabilities as they fall due | The assessment took account of the Company's current financial position, its cash flows and its liquidity position, the principal risks as set out below 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.<br><br>The portfolio comprises a spread of investments by size of company, traded on major international stock exchanges.<br><br>99.6% of the current portfolio could be liquidated within four trading days and there is no expectation that the nature of the investments held within the portfolio will be materially different in future.<br><br>The expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position. The ongoing charges of the Company for the year ended 30 April 2026 were 0.69% (2025: 0.77%).<br><br>Repayment of the bank facility, drawn down at the year end, and due in September 2027, would equate to approximately 12% of the cash or cash equivalents available to the Company at 30 April 2026, without having to liquidate the portfolio of investments.<br><br>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 2030 | The Company has within its corporate structure the requirement to hold a continuation vote every five years. The last continuation vote was passed at the AGM held in September 2025 with 99% of the votes in favour. While there can be no assurance that the continuation vote will be passed, the Directors believe that, if the Company delivers positive long-term performance ahead of the next continuation vote, Shareholders are likely to vote in favour. |
| Factors impacting the forthcoming years | The Investment Manager's Report and the Strategic Report provide a comprehensive review of factors which may impact the Company in forthcoming years. In making its assessment, the Board considered these factors alongside the Principal Risks and Uncertainties, and their corresponding mitigation and controls, as set out below. |
| Regulatory changes | Despite the increased level of regulation and the unpredictability of future requirements it is considered that regulation will not increase to a level that makes the running of the Company uneconomical or untenable in comparison to other competitive products. Although applicable for reporting in the 2027 annual report, the Board is already working to clearly document its material controls. |
| Closed-ended Investment Funds | Despite high discounts across the sector, it is believed that the business model of being a closed ended investment fund will continue to be wanted by investors and the Company's Investment Objective will continue to be desired and achievable. Notwithstanding this, the Board regularly discusses the risks to the sector given the rise in shareholder activism and consolidation across the wealth management industry and has engaged in an active share buy back process to help address the discount to NAV that the Company's shares have traded at. |

Further, the Board recognises that there has been significant progress made in the technology sector and immense change in what is deemed to be a technology company which broadens the universe for potential investment. Technology remains a specialist sector for which there continues to be a need for independent specialist sector investment expertise. The Board therefore has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five years to 30 April 2031.

**GOING CONCERN**

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

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

**KEY PERFORMANCE INDICATORS**

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

| KPI | Control process | Outcome |
|---|---|---|
| The provision of investment returns to shareholders measured by long-term NAV growth and relative performance against the Benchmark. | The Board reviews the performance of the portfolio in detail and hears the views of the Investment Manager at each meeting. | At 30 April 2026 the total net assets of the Company amounted to £7,324,872,000 (2025: £3,804,889,000). The Company's NAV over the year to 30 April 2026, outperformed the Benchmark by |

| | | |
|---|---|---|
| The Board is aware of the vulnerability of a sector specialist investment trust to a change in investor sentiment to that sector. | The Board discusses the market factors giving rise to any discount or premium, the long or short-term nature of those factors and the overall benefit to Shareholders of any actions. The market liquidity is also considered when authorising the issue or buy back of shares when appropriate market conditions prevail. | 47.2%. The NAV per share rose by 102.2% from 325.20p to 657.41p while the Benchmark increased 55.0% in Sterling terms over the same period. As at 30 April 2026 the portfolio comprised 97 (2025: 96) investments.<br><br>Investment performance is explained in the Chair's Statement and the Investment Manager's Report. The performance of the Company over the longer-term is shown by the ten year historic performance chart in the Annual Report. |
| 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.<br><br>A daily NAV per share, diluted when appropriate, calculated in accordance with the AIC guidelines, is issued to the London Stock Exchange.<br>The Company does not have an absolute target discount level at which it buys back shares but has historically bought back significant amounts of the outstanding share capital when deemed appropriate and will continue to do so. This approach does not preclude a more active approach as discounts widen and the Investment Manager may consider that a single purchase or a series of purchases of shares in current or greater volumes, which would enhance the Company's NAV per share, would be an attractive investment of the Company's cash resources, given the positive long-term prospects for the Company's portfolio. As always, the Board keeps the level of discount under careful review and has been buying back shares actively at levels set out in the adjacent column. | The discount/premium of the ordinary share price to NAV per ordinary share (diluted when appropriate) has been as follows:<br>Financial year to 30 April 2026:<br>• Minimum discount over year: 6.35%<br>• Maximum discount over year: 13.31%<br>• Average discount over year: 9.45%<br>In the year ended 30 April 2026, the Company bought back 55,803,823 ordinary shares (representing 4.8% of the issued share capital) at an average discount of 10.1%. Subsequent to the year end and to close of business 2 July 2026, the Company bought back a further 7,051,976 shares. The discount at close of business on 2 July 2026 was 8.5%<br>Over the previous five financial years ended 30 April 2026:<br>• Maximum premium over period: 0.27%<br>• Maximum discount over period: 19.42%<br>• Average discount over period: 10.50%<br>Over the previous five financial years ended 30 April 2026 the Company has bought back a total of 251,244,444 Ordinary shares. |
| 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 2026 and will continue to be met. |
| Efficient operation of the Company with appropriate investment management resources and services from third party suppliers within a stable and risk-controlled environment. | The Board considers annually the services provided by the Investment Manager, both investment and administrative, and reviews on a cycle the provision and costs of services provided by third parties. The annual operating expenses are reviewed and any non recurring project related expenditure is approved separately by the Board. | The Board has received and considered satisfactory the internal controls report of the Investment Manager and other key suppliers including contingency arrangements to facilitate the ongoing operations of the Company in the event of withdrawal or failure of services. The ongoing charges of the Company for the year ended 30 April 2026 was 0.69% of the average daily net assets (2025: 0.77%). |

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board is responsible for the management of risks faced by the Company and through delegation to the Audit Committee, has established procedures to manage risk, oversee the internal control framework and determine the nature and extent of

the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.

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

At each Audit Committee, identified principal risks are reviewed and reassessed against the backdrop of the dynamic external environment the Company is operating in. The Audit Committee carries out a robust assessment of overall risks and uncertainties faced by the Company with the assistance of the Investment Manager.

The Committee also identifies any emerging risks during its review process and continues to closely monitor these risks as they develop, implementing mitigating actions as necessary. Emerging risks during the financial year under review included the uncertainty around the future of the investment trust sector, continued geopolitical uncertainty and consequential market volatility.

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

| **Management of risks through Mitigation & Controls** | |
|---|---|
| **PORTFOLIO RISK** | **Change during the year** |
| **Failure to achieve investment objective on an absolute or relative basis (including performance impacts from adverse exchange rate movement in Sterling dollar rates).** | ⟺ |
| Regular reporting and monitoring of the Company's investment performance against peer group, benchmark and detailed annual review of investment strategy with Investment Manager.<br><br>Clear communication with Shareholders on the investment strategy through annual, half year reports and monthly factsheets. The Investment Manager also visits large Shareholders and has regular interaction with clients.<br><br>The Investment Manager's Operations team monitors FX and interest rate exposure of portfolio. Note 27 in the Annual Report describes the impact of changes in foreign exchange rates. | |
| **Portfolio management errors including breach of investment policy.** | ⟺ |
| Investment limits and restrictions are encoded into dealing and operations systems of the Manager to ensure there is early warning of any potential issue of compliance or regulatory matters. HSBC Depositary oversees all trades and monitoring against investment limits. The Board monitors the investment limits and restrictions and would investigate any breaches. | |
| **OPERATIONAL RISK** | |
| **Failure in services provided by Investment Manager (Polar Capital LLP).** | |
| Compliance, trading and operational risk oversight by fully resourced and expert Polar Capital compliance, operations and risk functions. Periodic updates are received from Polar's operational risk team in respect of the key operational risks and the associated controls in place. | |
| **Accounting / Financial and/or Custody Errors.** | ⟺ |
| Management accounts are produced and reviewed monthly, statutory reporting and daily NAV calculations are produced by the external Administrator and verified by the Investment Manager. Accounting records are tested, and valuations verified independently as part of the year-end financial reporting process. | |
| **Failure of Depositary, Custodian, Sub-Custodian or Deposit taker.** | ⟺ |
| Due diligence and service reviews are undertaken with third-party service providers including the Custodian and Depositary with any exceptions highlighted to the Board. | |
| **Unforeseeable natural disaster or other unpredictable event ("Black Swan").** | |
| The Company has a disaster recovery plan in place along with a Black Swan Committee comprised of any two Directors, who are able to provide a response to such events as necessary. | |
| **IT Failure, Fraud and Cyber Risk.** | ⟺ |
| Annual review of internal control reports from suppliers including cyber protocols and disaster recovery procedures.<br><br>The Board proactively seeks to keep abreast of developments through updates with representatives of the Investment Manager (Polar's Chief Technology Officer). Polar Capital has controls in place and has continued to evolve its cyber defence capabilities during 2025 and Q1 2026 amid a persistently hostile threat landscape. | |
| **REGULATORY RISK** | |
| **Breach of Statutes and Regulations.** | ⟺ |
| Polar Capital Compliance and Operations ensure a strong compliance environment and report to the Board on an annual basis.<br><br>There is an independent risk function at Polar Capital. AIFMD limits are hardcoded into Bloomberg and monitored by the Operations and Compliance teams. The Depositary also monitors AIFMD limits and reports exceptions to the Board. In addition, the Investment Trust Fund Accountant reports to the Board on a monthly basis through the Investment Limits schedule.<br><br>The Board receives regulatory reports for discussion and, if required, considers the need for any | |

| | |
|---|---|
| remedial action. In addition, as an investment company, the Company is required to comply with a framework of tax laws, regulation and company law.<br><br>The Board monitors regulatory change with the assistance of the Investment Manager, Company Secretary and external professional suppliers and implements necessary changes should they be required. | |
| **Failure to effectively communicate significant events to the shareholder and investor base.** | ⟺ |
| Polar Capital Sales Team and the Corporate Broker provide periodic reports to the Board on communications with Shareholders and feedback received.<br><br>Experienced sales and client services team maintain the Company's website and ensure it contains documents holding relevant information and presentations from the Manager.<br><br>Annual, half year reports and monthly factsheets are prepared by experienced company secretaries or specialist advisors. Statutory/regulatory documentation is compiled and checked by legal advisors, auditors or brokers (when necessary) and the Board undertakes a review prior to publication. Once published, the Chair offers annual meetings with Shareholders. | |
| **ECONOMIC AND MARKET RISK** | |
| **Global geopolitical risk affecting changes in policy regarding taxes/assets, tariffs, trade agreements (NAFTA, China, Mexico), immigration and political tensions.** | ⟺ |
| The impact on the portfolio from geopolitical changes is monitored through existing control systems such as the monthly investment limits schedule.<br><br>The Investment Manager regularly reports to the Board on geographic influences, the macro economic outlook and matters of interest in relation to the portfolio and utilises horizon scanning where appropriate. | |
| **Uncertainty in regulatory environment.** | ⇧ |
| Potential regulatory change as a result of the changing political environment is closely monitored by the Board with the help of the Manager, Company Secretary and Corporate Broker. | |
| **KEY STAFF RISK** | |
| **Loss of Portfolio Manager or other key professionals by the Investment Manager through resignation, redundancy or change of control.** | ⟺ |
| The strength and depth of the 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.<br><br>Key personnel are incentivised by equity participation in the investment management company. Alistair Unwin was appointed as Deputy Fund Manager and is responsible for managing the portfolio of the Company alongside Ben Rogoff, Lead Manager since 1 May 2006. | |
| **The Board has insufficient resource and breadth of experience to oversee its operations.** | ⟺ |
| Respected industry recruitment companies are used to source suitably experienced candidates for non-executive directorships with detailed succession planning and skills analysis driving the recruitment process at Board level. A Board, Committee and Individual evaluation process is carried out annually and justification for re-election of Directors is provided in Annual Report to Shareholders. | |

⇧ **Increase**

⇩ **Decrease**

⟺ **Unchanged**

**SECTION 172**

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

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

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

**SHAREHOLDERS**
**How we engage with them**

The Directors have considered shareholder engagement when making the strategic decisions during the year that affect Shareholders, the confirmation of the continued appointment of the Investment Manager and the recommendation that Shareholders vote in favour of the resolutions to be proposed at the AGM. The Directors have also engaged with and taken account of Shareholders' interests during the year.

The Portfolio Manager has held numerous face-to-face meetings and interacted with a number of Shareholders and institutions in addition to presenting at a number of conferences during the year. Where appropriate, Directors are invited to attend these conferences to meet with Shareholders and prospective investors; in addition, the annual Investor Relations dinner was again held in October 2025. Positive feedback was received from all attendees of the dinner who welcomed the opportunity to interact with the Board and Manager.

The Chair writes to the Company's largest Shareholders following the publication of the Annual Report and Financial Statements offering the opportunity to meet to discuss any matters of interest or concern.

The Company's next AGM will be held on Monday 5 October 2026. The Board recognises that the AGM is an important event for Shareholders and the Company and is keen to ensure that Shareholders are able to exercise their right to attend, vote and participate. Shareholders will also be able to watch the proceedings of the AGM live via Zoom Conference. Details of how to access the online link are provided in the Notice of AGM. Shareholders should note that if attending via Zoom Conference will not be able to cast their vote during the meeting and are encouraged to submit their proxy card in advance. Once again, we will be inviting feedback from Shareholders and will take this into account when planning the 2027 meeting.

The Board believes that shareholder engagement remains important and is keen that the AGM be a participative event for all Shareholders who attend. Shareholders are encouraged to send any questions ahead of the AGM to the Board via the Company Secretary at cosec@polarcapital.co.uk stating the subject matter as PCTT-AGM. The investment manager will give an in-person presentation and the Chair of the Board and all members of the Board will be in attendance and will be available to respond to questions and concerns from Shareholders.

Should any significant votes be cast against a resolution, the Board will engage with Shareholders. If this situation occurs, the Board will explain in its announcement of the results of the AGM the actions it intends to take to consult Shareholders in order to understand the reasons behind the votes against. Following the consultation, an update will be published no later than six months after the AGM and the next Annual Report will detail the impact the shareholder feedback has had on any decisions the Board has taken and any actions or resolutions proposed. No significant votes against a resolution were received at the 2025 AGM.

**Relations with Shareholders**
The Board and the Manager consider maintaining good communications and engaging with Shareholders through meetings and presentations a key priority. The Board regularly considers the share register of the Company and receives regular reports from the Manager and the Corporate Broker on shareholder meetings attended and any concerns that have been raised in those meetings. The Board also reviews correspondence from Shareholders and may attend investor presentations.

The Chair has met with Shareholders during the year and responded to comments raised both at the AGM and via email.

Shareholders are able to raise any concerns directly with the Chair or the Board without intervention of the Manager or Company Secretary, they may do this either in person at the AGM or at other events, or in writing either via the registered office of the Company or to the Chair's specific email address Chair.pctt@polarcapital.co.uk.

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

The Company, through the sales and marketing efforts of the Investment Manager, encourages retail investment platforms to engage with underlying Shareholders in relation to Company communications and enable those Shareholders to cast their votes on shareholder resolutions; the Company however has no responsibility over such platforms. Shareholders who hold shares via an online stockbroker or platform are encouraged to exercise their vote through their respective platforms and where possible attend the AGM proceedings. Further information on how to vote through the platforms can be found on the AIC's website (www.theaic.co.uk) and in the Shareholder information section in the Annual Report.

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**
**Buybacks**
Further to shareholder authority being granted, the Company has the facility to conduct share buy backs when, in normal market conditions, it is in the best interests of Shareholders to do so. The Company bought back a total of 55,803,823 shares during the year under review. Subsequent to the year end and to close of business 2 July 2026, the Company bought back a further 7,051,976 shares.

**Gearing**
The Company is aware of the positive effect that leverage can have in increasing the return to Shareholders when utilised. The Company has a term loan in place with The Bank of Nova Scotia, which expires in September 2027. Consideration will be given to the renewal of or the replacement of the term loan if it is deemed to be in the best interests of the Company's Shareholders in maximising returns. Please see Note 17 for further information. Despite having the term loan in place the Company held a net cash position of 6.2% at the year end.

**Continuation Vote**
The Company has within its corporate structure the requirement to hold a continuation vote every five years. Ahead of each vote the Board, Investment Manager and Corporate Broker seek the feedback of Shareholders including any concerns, and an indication of whether they were likely to vote in favour of the Company's continuation. The last continuation vote was held in September 2025, for which 99% of the votes cast were in favour, and the next continuation vote will be held at the AGM in 2030.

**Fees**

As reported previously, the Board undertook a review of Management fees during 2025 to ensure that the Company continues to provide value for Shareholders and remains competitive. Further details in relation to the fee structure that came into effect on 1 May 2025 can be found in the Annual Report.

**INVESTMENT MANAGER**

**Engagement**

Through the Board meeting cycle, regular updates and the work of the Management Engagement Committee reviewing the services of the Investment Manager twice yearly, the Board is able to safeguard shareholder interests by:

- Ensuring adherence to the Investment Management Policy and reviewing the agreed management fees;
- Ensuring excessive risk is not undertaken in the pursuit of investment performance;
- Reviewing the Investment Manager's decision making and consistency in investment process;
- Ensuring compliance with statutory legal requirements, regulations and other advisory guidance such as consumer duty and aspects of operational resilience; and
- Considering the succession plans for the Technology Team in ensuring the continued provision of portfolio management services.

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

**ESG**

The Board continued to engage with the Investment manager to understand how ESG has been integrated into the overall house style, the technology team investment approach and decision making as well as the methodology behind this. The Board also receives information on how ESG affects Polar Capital as a business and the technology team in particular.

**Management**

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 Investment Team also use the services of ISS to assist with their own evaluation of companies' proposals or reporting ahead of casting votes on behalf of the Company at their general meetings. In the event that an investee company has share blocking in place, the default position is to refrain from voting to ensure the ability to trade these stocks if required.

During the year ended 30 April 2026, votes were cast at 100% of investee company general meetings held. At 45% of those meetings a vote was either cast against management recommendation, withheld or abstained from. Further information on how the Investment Manager considers ESG in its engagement with investee companies can be found in the ESG Report in the Annual Report.

**Outcomes and strategic decisions during the year**

During the year the Board discussed the impact of ESG and other market factors and how the Investment Manager factors these into its strategy, investment and decision-making process. The Board receives information on the ratings of investee companies and is able to use this as a tool to inform discussions with the Manager during Board meetings.

**SERVICE PROVIDERS**

**Engagement**

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

**Outcomes and strategic decisions during the year**

During the year under review, in addition to regular contact and assurance testing that sound and effective controls are in place from all service providers, due diligence meetings have been undertaken by the Investment Manager and where possible, service providers have joined meetings to present their reports directly to the Board or the Audit Committee as appropriate.

In December 2025 the Company was informed by Stifel Nicolaus Europe Limited, that they would be ceasing to provide a market making service in the UK and would no longer be able to act as the Company's corporate broker. A corporate broker tender process was undertaken by the Board and Peel Hunt LLP were appointed as Corporate Broker on 12 January 2026.

**PROXY ADVISORS**

**Engagement**

The support of proxy adviser agencies is important to the Directors, as the Company seeks to retain a reputation for high standards of corporate governance, which the Directors believe contributes to the long-term sustainable success of the

Company. The Directors consider the recommendations of these various proxy voting agencies when contemplating decisions that will affect Shareholders and also when reporting to Shareholders through the Half Year and Annual Reports.

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

**Outcomes and strategic decisions during this year**
Where possible the Chair and other representatives of the Company have engaged with the stewardship teams of some larger investors to understand and address their expectations in terms of board governance, recruitment and diversity. Prior to the Company's AGMs, the Company engages with agencies including PIRC and ISS to fact check their advisory reports and clarify any areas or topics contained within the report. This ensures that whilst the proxy advisory reports provided to Shareholders are objective and independent, the Company's actions and intentions are represented as clearly as possible to assist with Shareholders' decision making when considering the resolutions proposed at the AGM.

**THE AIC**
**Engagement**
The Company is a member of the AIC and has supported lobbying activities. Representatives of the Manager sit on a variety of forums run by the AIC which aids development and understanding of new policies and procedures. The Directors may cast votes in the AIC Board Elections each year and regularly attend AIC events.

The Board supported the AIC's 'My share, my vote' campaign and encouraged Shareholders to do the same by signing the petition on the AIC's website. The AIC was lobbying government to make a change in company law to require nominees, which includes retail platforms, to automatically and without charge, pass on voting rights and information to the underlying Shareholders. We supported this action as we believe shareholder engagement is important.

Approved by the Board on 9 July 2026
By order of the Board

**Kelly Nice, CG (Affiliated)**
Polar Capital Secretarial Services Limited
Company Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

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

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

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

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

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

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

We confirm that to the best of our knowledge:

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

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

**Catherine Cripps**

Chair
9 July 2026

Status of announcement

The figures and financial information contained in this announcement are extracted from the Audited Annual Report for the year ended 30 April 2026 and do not constitute statutory accounts for the year. The Annual Report and Financial Statements include the Report of the Independent Auditors which is unqualified and does not contain a statement under either section 498(2) or Section 498(3) of the Companies Act 2006.

The Annual Report and Financial Statements for the year ended 30 April 2026 have not yet been delivered to the Registrar of Companies. The figures and financial information for the year ended 30 April 2025 are extracted from the published Annual Report and Financial Statements for the year ended 30 April 2025 and do not constitute the statutory accounts for that year. The Annual Report and Financial Statements for the year ended 30 April 2025 have been delivered to the Registrar of Companies and included the Report of the Independent Auditors which was unqualified and did not contain a statement under either section 498(2) or Section 498(3) of the Companies Act 2006.

**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 30 April 2026

| | | **Year ended 30 April 2026** | | | Year ended 30 April 2025 | | |
|---|---|---|---|---|---|---|---|
| | **Notes** | **Revenue return £'000** | **Capital return £'000** | **Total return £'000** | Revenue return £'000 | Capital return £'000 | Total return £'000 |
| Investment income | 3 | **24,252** | **266** | **24,518** | 19,055 | - | 19,055 |
| Other operating income | 4 | **8,539** | **-** | **8,539** | 6,309 | - | 6,309 |
| Gains on investments held at fair value | 5 | **-** | **3,788,692** | **3,788,692** | - | 128,523 | 128,523 |
| (Losses)/gains on derivatives | 6 | **-** | **(28,836)** | **(28,836)** | - | 2,767 | 2,767 |
| Other currency gains/(losses) | 7 | **-** | **1,905** | **1,905** | - | (1,649) | (1,649) |
| **Total income** | | **32,791** | **3,762,027** | **3,794,818** | 25,364 | 129,641 | 155,005 |
| **Expenses** | | | | | | | |
| Investment management fee | 8 | **(35,825)** | **-** | **(35,825)** | (30,854) | - | (30,854) |
| Other administrative expenses | 9 | **(2,051)** | **-** | **(2,051)** | (1,644) | - | (1,644) |
| **Total expenses** | | **(37,876)** | **-** | **(37,876)** | (32,498) | - | (32,498) |
| **Profit before finance costs and tax** | | **(5,085)** | **3,762,027** | **3,756,942** | (7,134) | 129,641 | 122,507 |
| Finance costs | 10 | **(1,595)** | **-** | **(1,595)** | (1,786) | - | (1,786) |
| **Profit before tax** | | **(6,680)** | **3,762,027** | **3,755,347** | (8,920) | 129,641 | 120,721 |
| Tax | 11 | **(2,876)** | **-** | **(2,876)** | (2,366) | - | (2,366) |
| **Net profit for the year and total comprehensive income** | | **(9,556)** | **3,762,027** | **3,752,471** | (11,286) | 129,641 | 118,355 |
| **Earnings per share (basic and diluted) (pence)** | 12 | **(0.84)** | **331.26** | **330.42** | (0.95) | 10.92 | 9.97 |

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

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

All items in the above statement derive from continuing operations.

The Company does not have any other comprehensive income.

The notes below form part of these Financial Statements.

**STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 April 2026

| | **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 2024** | | 34,329 | 12,802 | 223,374 | 7,536 | 3,669,370 | (142,878) | 3,804,533 |
| **Total comprehensive income/(expense):** | | | | | | | | |
| Profit/(loss) for the year to 30 April 2025 | | - | - | - | - | 129,641 | (11,286) | 118,355 |
| **Transactions with owners, recorded directly to equity:** | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Ordinary shares repurchased into treasury | 15 | - | - | - | - | (117,935) | - | (117,935) |
| Share split costs | | - | - | - | - | (64) | - | (64) |
| **Total equity at 30 April 2025** | | **34,329** | **12,802** | **223,374** | **7,536** | **3,681,012** | **(154,164)** | **3,804,889** |
| **Total comprehensive income/(expense):** | | | | | | | | |
| Profit/(loss) for the year to 30 April 2026 | | **-** | **-** | **-** | **-** | **3,762,027** | **(9,556)** | **3,752,471** |
| **Transactions with owners, recorded directly to equity:** | | | | | | | | |
| Ordinary shares repurchased into treasury | 15 | - | - | - | - | **(232,488)** | - | **(232,488)** |
| **Total equity at 30 April 2026** | | **34,329** | **12,802** | **223,374** | **7,536** | **7,210,551** | **(163,720)** | **7,324,872** |

The notes below form part of these Financial Statements.

**BALANCE SHEET**
as at 30 April 2026

| | Notes | 30 April 2026 £'000 | 30 April 2025 £'000 |
|---|---|---|---|
| **Non current assets** | | | |
| Investments held at fair value through profit or loss | 13 | **6,846,646** | 3,664,891 |
| **Current assets** | | | |
| Receivables | | **57,547** | 39,801 |
| Overseas tax recoverable | | **541** | 441 |
| Cash and cash equivalents | 14 | **583,612** | 188,911 |
| Derivative financial instruments | 13 | **24,037** | 12,958 |
| | | **665,737** | 242,111 |
| **Total assets** | | **7,512,383** | 3,907,002 |
| **Current liabilities** | | | |
| Payables | | **(117,068)** | (22,337) |
| Overdraft at bank and derivative clearing houses | 14 | **-** | (1,046) |
| | | **(117,068)** | (23,383) |
| **Non current liabilities** | | | |
| Bank loans | | **(70,443)** | (78,730) |
| **Net assets** | | **7,324,872** | 3,804,889 |
| **Equity attributable to equity Shareholders** | | | |
| Share capital | 15 | **34,329** | 34,329 |
| Capital redemption reserve | | **12,802** | 12,802 |
| Share premium | | **223,374** | 223,374 |
| Special non-distributable reserve | | **7,536** | 7,536 |
| Capital reserves | | **7,210,551** | 3,681,012 |
| Revenue reserve | | **(163,720)** | (154,164) |
| **Total equity** | | **7,324,872** | 3,804,889 |
| **Net asset value per ordinary share (pence)** | | **657.41** | 325.20 |

The Financial Statements, were approved and authorised for issue by the Board of Directors on 9 July 2026 and signed on its behalf by:

Catherine Cripps
Chair

The notes below form part of these Financial Statements

Registered number 3224867

**CASH FLOW STATEMENT**
for the year ended 30 April 2026

| | Notes | 2026 £'000 | 2025 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | **3,755,347** | 120,721 |
| Adjustments | | | |
| Gains on investments held at fair value through profit or loss | 5 | **(3,788,692)** | (128,523) |
| Losses/(gains) on derivative financial instruments | 6 | **28,836** | (2,767) |
| Proceeds of disposal on investments | | **8,185,893** | 4,648,853 |
| Purchases of investments | | **(7,499,096)** | (4,464,412) |
| Proceeds on disposal of derivative financial instruments | 13 | **240,483** | 99,136 |
| Purchases of derivative financial instruments | 13 | **(280,398)** | (99,770) |
| (Increase)/decrease in receivables | | **(2,335)** | 1,550 |
| Increase/(decrease) in payables | | **1,320** | (9) |
| Finance costs | | **1,595** | 1,786 |
| Overseas tax | | **(2,976)** | (2,461) |
| Foreign exchange (gains)/losses | 7 | **(1,905)** | 1,649 |
| **Net cash generated from operating activities** | | **638,072** | 175,753 |
| | | | |
| **Cash flows from financing activities** | | | |
| Finance costs paid | | **(1,648)** | (1,776) |
| Ordinary shares repurchased into treasury | | **(234,295)** | (117,689) |
| Share split costs | | - | (64) |
| Loan repaid | | - | (46,689) |
| Loan drawn | | - | 78,307 |
| | | | |
| **Net cash used in financing activities** | | **(235,943)** | (87,911) |
| | | | |
| **Net increase in cash and cash equivalents** | | **402,129** | 87,842 |
| | | | |
| Cash and cash equivalents at the beginning of the year | | **187,865** | 102,596 |
| Effect of movement in foreign exchange rates on cash held | 7 | **(6,382)** | (2,573) |
| | | | |
| **Cash and cash equivalents at the end of the year** | 14 | **583,612** | 187,865 |

| | Notes | 2026 £'000 | 2025 £'000 |
|---|---|---|---|
| **Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:** | | | |
| Cash held at bank, overdraft and derivative clearing houses | 14 | **354,921** | 166,498 |
| BlackRock's Institutional Cash Series plc (US Treasury Fund), money market fund | 14 | **228,691** | 21,367 |

| | | | |
|---|---|---|---|
| **Cash and cash equivalents at the end of the year** | 14 | **583,612** | 187,865 |

The notes below form part of these Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 30 April 2026

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

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

The Company financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (IAS).

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

**2. ACCOUNTING POLICIES**
The material accounting policy information and other explanatory information have been applied consistently for all years presented are set out below:

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

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for investment trusts issued by the Association of Investment Companies (AIC) in July 2022 and updated in December 2025 is consistent with the requirements of UK-adopted IAS, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP. The Company has early adopted the December 2025 SORP updates, effective for accounting periods beginning on or after 1 January 2026, with no impact on the basis of accounting.

**Going Concern**
The financial position of the Company as at 30 April 2026 is shown in the Balance Sheet above. As at 30 April 2026 the Company's total assets exceeded its total liabilities by a multiple of over 39. The assets of the Company consist mainly of securities that are held in accordance with the Company's Investment Policy, as set out in the Annual Report and these securities are readily realisable. The Company has a three-year fixed rate term loan with The Bank of Nova Scotia which falls due for repayment on 30 September 2027. 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, which used a variety of falling parameters to demonstrate the effects in the Company's share price and net asset value. In addition, the Company's cash flows were stressed tested for base case and reasonable worse case scenarios such as reduction in dividend and interest income and increase in administrative expenses. In light of the results of these tests, the Company's cash balances, and the liquidity position, the Directors consider that the Company has adequate financial resources to enable it to continue in operational existence for at least 12 months.

The Company has within its corporate structure the requirement to hold a continuation vote every five years. The continuation vote resolution was put to Shareholders at the AGM held in September 2025 and was duly passed. Accordingly, the next continuation vote, in accordance with the Articles of Association, will be proposed at the AGM in 2030.

**(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:

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

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

**(E) TAXATION**

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

**(G) RECEIVABLES**

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

**(H) CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term maturity of three months or less, highly liquid investments that are readily convertible to known amounts of cash on demand. These include investments in AAA-rated money market funds.

The Company's investment in BlackRock's Institutional Cash Series plc - US Treasury Fund of £228,691,000 (2025: £21,367,000) is managed as part of the Company's cash and cash equivalents as defined under IAS 7. This is measured at fair value through profit or loss and is classified as Level 1 in the IFRS13 fair value hierarchy.

In the Balance Sheet overdrafts at bank and derivative clearing houses are shown within current liabilities.

**(I) PAYABLES**

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

**(J) BANK LOANS**

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

**(K) DERIVATIVE FINANCIAL INSTRUMENTS**

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

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

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

**(L) RATES OF EXCHANGE**

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

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

**(M) SHARE CAPITAL**

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

**(N) CAPITAL RESERVES**

Capital reserve - gains/losses on disposal includes:

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

Capital reserve - revaluation on investments held includes:

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

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

**(O) REPURCHASE OF ORDINARY SHARES (INCLUDING THOSE HELD IN TREASURY)**

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

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

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

**(P) SHARE ISSUE COSTS**

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

**(Q) SEGMENTAL REPORTING**

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

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

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

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

**(R) KEY ESTIMATES AND JUDGMENTS**

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 only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments and investments for which there is an inactive market. These are valued in accordance with the techniques set out in Note 2(f). At the year end, there was no unquoted investments (2025: same).

The majority of the Company's investments are in US Dollars, the level of which varies from time to time. In determining the functional currency the Board considered the indicators in IAS 21 and the guidance in the AIC SORP. The Board considered that the indicators were mixed as although the Company's investments are predominantly denominated in USD, the majority of the Company's operating expenses and the Company's shares are denominated in Sterling. The Board consider that Sterling best reflects the economic environment in which the Company operates and is most relevant to the majority of the Company's Shareholders and creditors, and therefore concluded that the Company's functional currency is Sterling.

**(S) NEW AND REVISED ACCOUNTING STANDARDS**

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

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

| **Standards & Interpretations** | | **Effective for periods commencing on or after** |
|---|---|---|
| Lack of Exchangeability (Amendments to IAS 21) | The amendments specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not. | 1 January 2025 |

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

| **Standards & Interpretations** | | **Effective for periods commencing on or after** |
|---|---|---|
| Annual Improvements to IFRS Accounting Standards- Volume 11 | The amendments clarify the requirements for: Hedge accounting by a first-time adopter (IFRS 1 First-time Adoption of International Financial Reporting Standards); Gain or loss on derecognition (IFRS 7 Financial Instruments: Disclosures); Transaction price (IFRS 9 Financial Instruments); Derecognition of lease liabilities (IFRS 9); Determination of a 'de facto agent' (IFRS 10 Consolidated Financial Statements) and Cost method (IAS 7 Statement of Cash Flows). | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7- Amendments to the Classification and Measurement of Financial Instruments | The amendments address two of the issues identified during the post-implementation review of IFRS 9, being the derecognition of a financial liability settled through electronic transfer and the classification of financial assets, it also introduces new and amended disclosure requirements. | 1 January 2026 |
| IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024) | The amendment sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. | 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability | The amendments permits eligible subsidiaries to prepare financial statements using significantly reduced disclosure requirements while maintaining standard IFRS recognition, measurement, and presentation principle. | 1 January 2027 |

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

**3. INVESTMENT INCOME**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Revenue: | | |
| UK dividend income | **389** | 58 |
| Overseas Dividend income | **23,863** | 18,997 |
| | **24,252** | 19,055 |
| | | |
| Capital: | | |
| Special dividends allocated to capital | **266** | - |

All investment income is derived from listed investments.

Included within income from investments is £206,000 (2025: £48,000) of special dividends classified as revenue in nature in accordance with Note 2(c). £266,000 (2025: £nil) of special dividends have been recognised in capital as the dividend paid out of the proceeds from the disposal of certain businesses.

**4. OTHER OPERATING INCOME**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Bank interest | **4,304** | 3,932 |
| Money market fund interest | **4,235** | 2,377 |
| | **8,539** | 6,309 |

**5. GAINS ON INVESTMENTS HELD AT FAIR VALUE**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Net gains on disposal of investments at historic cost | **1,813,952** | 695,869 |
| Transfer on disposal of investments | **(327,702)** | (618,762) |
| Gains on disposal of investments based on carrying value at previous balance sheet date | **1,486,250** | 77,107 |
| Valuation gains on investments held during the year | **2,302,442** | 51,416 |
| | **3,788,692** | 128,523 |

**6. (LOSSES)/GAINS ON DERIVATIVES**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| (Losses)/gains on disposal of derivatives held | **(15,472)** | 10,212 |
| Losses on revaluation of derivatives held | **(13,364)** | (7,445) |
| | **(28,836)** | 2,767 |

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. Refer to Note 13 for further details.

**7. OTHER CURRENCY GAINS/(LOSSES)**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Exchange losses on currency balances | **(6,382)** | (2,573) |
| Exchange gains on settlement of loan balances | **-** | 9,753 |
| Exchange gains/(losses) on translation of loan balances | **8,287** | (8,829) |
| | **1,905** | (1,649) |

**8. INVESTMENT MANAGEMENT FEE**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Investment management fee paid to Polar Capital (charged wholly to revenue) | **35,825** | 30,854 |

The basis for calculating the investment management fee is set out in the Strategic Report above and details of all amounts payable to the Manager are given in Note 16 below.
A revised Investment Management Agreement was put in place with the Manager which took effect from 1 May 2025. The new base management fee is structured over two tiers, and the performance fee has been removed entirely. Details of the revised terms of the investment management agreement are disclosed in the Strategic Report above.

**9. OTHER ADMINISTRATIVE EXPENSES**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|

| | | |
|---|---|---|
| Directors' fees and expenses[1] | **269** | 254 |
| National insurance contributions | **36** | 27 |
| Depositary fees[2] | **341** | 264 |
| Registrar fees | **78** | 61 |
| Custody and other bank charges[3] | **641** | 475 |
| UKLA and LSE listing fees[4] | **361** | 269 |
| Legal & professional fees and other financial services[5] | **19** | 56 |
| AIC fees | **28** | 22 |
| Auditors' remuneration - for audit of the Financial Statements | **84** | 82 |
| Directors' and officers' liability insurance | **68** | 50 |
| Corporate brokers' fees[6] | **15** | - |
| Shareholder communications[7] | **109** | 60 |
| Other expenses[8] | **2** | 24 |
| | **2,051** | 1,644 |

1 Full disclosure is given in the Directors' Remuneration Report in the Annual Report.

2 Depositary fees are based on the value of the net assets. The daily average net asset value rose by 30% compared to the previous year.

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

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

5 2025 includes legal cost of new loan agreement.

6 Following the change in broker on 12 January 2026, the annual retainer fee is £50,000, of which £15,000 was charged to the current financial year. Under the previous broker arrangement, the 2025/2026 annual fee was offset by the commission credit on share repurchases.

7 Includes bespoke promotional marketing cost.

8 2025 includes external third party Board evaluation cost.

**10. FINANCE COSTS**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Interest on loans and overdrafts | **1,595** | 1,762 |
| Loan arrangement and facility fees | **-** | 24 |
| | **1,595** | 1,786 |

**11. TAXATION**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| **(a) Analysis of tax charge for the year:** | | |
| Overseas tax | **2,876** | 2,366 |
| **Total tax for the year (see Note 11b)** | **2,876** | 2,366 |

**(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 | **3,755,347** | 120,721 |
| Tax at the UK corporation tax rate of 25% (2025: 25%) | **938,837** | 30,180 |
| Tax effect of non-taxable dividends | **(6,063)** | (4,764) |
| Tax effect of gains on investments that are not taxable | **(940,507)** | (32,410) |
| Unrelieved current year expenses and deficits | **7,733** | 6,994 |
| Overseas tax suffered | **2,876** | 2,366 |
| **Total tax for the year (see Note 11a)** | **2,876** | 2,366 |

**(c) Factors that may affect future tax charges:**
There is an unrecognised deferred tax asset comprising:

| | | |
|---|---|---|
| Unrelieved management expenses | **87,412** | 79,679 |
| Non-trading loan relationship deficits | **1,807** | 1,807 |
| | **89,219** | 81,486 |

The deferred tax asset is based on corporation tax rate of 25% (2025: 25%).

The Company has an unrecognised deferred tax asset of £87,412,000 (2025: £79,679,000) arising from surplus management expenses of £349,647,000 (2025: £318,715,000) and unrecognised deferred tax asset of £1,807,000 (2025: £1,807,000) arising from non-trade loan relationship deficits of £7,227,000 (2025: £7,227,000) based on a corporation tax rate of 25% (2025: 25%). Given the composition of the Company's portfolio, it is not likely that these assets will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

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

**12. EARNINGS PER ORDINARY SHARE**

| | **Year ended 30 April 2026** | | | Year ended 30 April 2025 | | |
|---|---|---|---|---|---|---|
| | **Revenue return** | **Capital return** | **Total return** | Revenue return | Capital return | Total Return |
| The calculation of basic earnings per ordinary share is based on the following data: | | | | | | |
| Net profit for the year (£'000) | **(9,556)** | **3,762,027** | **3,752,471** | (11,286) | 129,641 | 118,355 |
| Weighted average ordinary shares in issue during the year | **1,135,674,563** | **1,135,674,563** | **1,135,674,563** | 1,187,532,192 | 1,187,532,192 | 1,187,532,192 |
| From continuing operations | | | | | | |
| Basic - earnings per ordinary shares (pence) | **(0.84)** | **331.26** | **330.42** | (0.95) | 10.92 | 9.97 |

As at 30 April 2026 there are no potentially dilutive shares in issue and the earnings per share therefore equate to those shown above (2025: 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 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Opening book cost | **2,979,243** | 2,460,764 |
| Opening investment holding gains | **685,648** | 1,252,994 |
| Opening fair value | **3,664,891** | 3,713,758 |
| **Analysis of transactions made during the year** | | |
| Purchases at cost | **7,594,367** | 4,475,207 |
| Sales proceeds received | **(8,201,304)** | (4,652,597) |
| Gains on investments held at fair value | **3,788,692** | 128,523 |
| **Closing fair value** | **6,846,646** | 3,664,891 |
| Closing book cost | **4,186,258** | 2,979,243 |
| Closing investment holding gains | **2,660,388** | 685,648 |
| **Closing fair value** | **6,846,646** | 3,664,891 |
| Of which: | | |
| Listed on a recognised Stock Exchange | **6,846,646** | 3,664,891 |

The Company received £8,201,304,000 (2025: £4,652,597,000) from disposal of investments in the year. The book cost of these investments when they were purchased were £6,387,352,000 (2025: £3,956,728,000). 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 purchases at cost are transaction costs of £4,512,000 (2025: £2,320,000). Included in proceeds of disposals are transaction costs of £5,050,000 (2025: £2,971,000). These costs primarily comprise commission.

**(ii) Changes in derivative financial instruments**

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Valuation at 1 May | **12,958** | 9,557 |
| Additions at cost | **280,398** | 99,770 |
| Proceeds of disposal | **(240,483)** | (99,136) |
| (Losses)/gains on disposal | **(15,472)** | 10,212 |

| | | |
|---|---|---|
| Valuation losses | **(13,364)** | (7,445) |
| **Valuation at 30 April** | **24,037** | 12,958 |

The derivative financial instruments represent the call and put options, which are used for the purpose of efficient portfolio management. As at 30 April 2026, the Company held NASDAQ 100 Stock Index put option and the market value of this open put option positions was £11,187,000 (2025: NASDAQ 100 Stock Index put options with a market value of £5,905,000). The Company also held Microsoft Corp call option and Apple Inc call options, the market value of these open call option position were £2,650,000 and £10,200,000 respectively (2025: Microsoft Corp call option and Apple Inc call options, the market value of these open call option position were £11,000 and £7,042,000 respectively).

**(iii) Classification under Fair Value Hierarchy:**

The table below sets out the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

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

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

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

The valuation techniques used by the Company are explained in the accounting policies above.

| | **Year ended 30 April 2026 £'000** | Year ended 30 April 2025 £'000 |
|---|---|---|
| Equity Investments and derivative financial instruments | | |
| Level 1 | **6,859,496** | 3,671,944 |
| Level 2 | **11,187** | 5,905 |
| Level 3 | **-** | - |
| | **6,870,683** | 3,677,849 |

As at the year ended 30 April 2026, £11,187,000 (2025: £5,905,000) of NASDAQ 100 Stock Index put options held by the Company have been classified as level 2 due to the absence of regular trading activity levels closer to the measurement date. All other options held at the current and prior year end have been classified as level 1.

There has been no transfer between Levels 1, 2 and 3 during the year ended 30 April 2026 (2025: same).

**(iv) Unquoted investments**

As at 30 April 2026, the portfolio comprised no unquoted investment (2025: same):

**14. CASH AND CASH EQUIVALENTS**

| | **30 April 2026 £'000** | 30 April 2025 £'000 |
|---|---|---|
| Cash at bank | **344,219** | 167,544 |
| Cash held at derivative clearing houses | **10,702** | - |
| Money market funds | **228,691** | 21,367 |
| Cash and cash equivalents | **583,612** | 188,911 |
| Overdraft at bank and derivative clearing houses | **-** | (1,046) |
| | **583,612** | 187,865 |

As at 30 April 2026, the Company held BlackRock's Institutional Cash Series plc - US Treasury Fund with a market value of £228,691,000 (2025: £21,367,000), which is managed as part of the Company's cash and cash equivalents as defined under IAS 7.

As defined under IAS 7, the bank overdraft is included in the Company's cash and cash equivalents as it is repayable on demand and forms an integral part of the company's cash management.

**15. SHARE CAPITAL**

| | **30 April 2026 £'000** | 30 April 2025 £'000 |
|---|---|---|
| Ordinary shares-Allotted, Called up and Fully paid: | | |
| Ordinary shares of nominal value 2.5p each | | |
| Opening balance of 1,170,007,019 (2025: 1,206,215,690) ordinary shares in issue | **29,250** | 30,155 |

| | | |
|---|---|---|
| Repurchase of 55,803,823 (2025: 36,208,671) ordinary shares into treasury | **(1,395)** | (905) |
| 1,114,203,196 (2025: 1,170,007,019) ordinary shares in issue | **27,855** | 29,250 |
| 258,946,804 (2025: 203,142,981) ordinary shares held in treasury | **6,474** | 5,079 |
| Total of 1,373,150,000 (2025: 1,373,150,000) shares | **34,329** | 34,329 |

During the year a total of 55,803,823 (2025: 36,208,671) ordinary shares were repurchased into treasury for a total consideration £232,488,000 (2025: £117,935,000).

Subsequent to the year end, and to 2 July 2026 (latest practicable date), 7,051,976 ordinary shares were repurchased into treasury at an average price of 686.33p per share.

**16. 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 2026 were £35,825,000 (2025: £30,854,000) of which £3,565,000(2025: £2,246,000) was outstanding at the year end.
In addition, the research costs and the first £200,000 of marketing costs per annum are borne by the Manager.

A revised Investment Management Agreement was put in place with the Manager which took effect on 1 May 2025. The new base management fee is structured over two tiers, and the performance fee has been removed entirely. Details of the revised terms of the Investment Management Agreement are disclosed in the Strategic Report above.

**(B) RELATED PARTY TRANSACTIONS**

The compensation payable to key management personnel in respect of short term Directors' remuneration is £269,000 (2025: £254,000) which comprises £269,000 (2025: £254,000) paid by the Company to the Directors.

Refer to Company's 2026 Annual Report for the Directors' Remuneration Report including Directors' shareholdings and movements within the year.

**17. NET ASSET VALUE PER ORDINARY SHARE**

| | **Net asset value per share** | |
|---|---|---|
| | **30 April 2026** | 30 April 2025 |
| Undiluted: | | |
| Net assets attributable to ordinary Shareholders (£'000) | **7,324,872** | **3,804,889** |
| Ordinary shares in issue at end of year | **1,114,203,196** | **1,170,007,019** |
| Net asset value per ordinary share (pence) | **657.41** | **325.20** |

As at 30 April 2026, there were no potentially dilutive shares in issue (2025: there was no dilution).

**18. POST BALANCE SHEET EVENT**

Subsequent to the year end, and to 2 July 2026, 7,051,976 ordinary shares were repurchased and placed in the Treasury at an average price of 686.33p 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.

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