

# RCM Technology Trust PLC

Factsheet

31 January 2013

## Fund Manager's Review



### Walter Price

The RCM Technology Trust NAV returned 6.91% in January, which outperformed the Dow Jones World Technology Index's return (£) of 4.30%. During the month, both stock selection and industry allocation decisions had positive effects on relative performance.

Our underweight in Apple was the largest single contributor to active returns during the period. Shares tumbled on reports that the company cut components orders for its iPhone 5 product on weak demand. We think the company's near-term outlook is challenging as operating margins are very high and competition is increasing.

LED lighting systems maker Cree was a top contributor to performance. The company's shares surged after it reported solid fiscal 2nd quarter (Q2) revenue and profits driven by strong demand and issued sales guidance above analyst expectations.

Facebook Inc. was also among the top performers in January. The stock gained more than 16% during the month, rising ahead of the social network's Q4 report released near month end. Facebook reported quarterly earnings and revenues that exceeded consensus expectations. Mobile adverts now account for 23% of total advertising revenue, up from 14% in Q3 of 2012. Facebook plans to invest heavily in 2013 to attract users and keep them on the site longer.

On the negative side, portfolio holding Fusion-io was the top individual detractor during the period. Shares fell on investors' concerns that sales growth forecasts for 2013 might be too ambitious in light of the macroeconomic challenges in the enterprise market and reports of increased competition from lower priced products. With new product launches and partnerships with key players in the sector, we are optimistic regarding the company's forward prospects but have trimmed our position.

Chinese holding Ctrip.com also detracted from performance during the month. Shares fell after it was reported that the travel service provider would soon offer rebate coupons on air travel. Investors are concerned that this type of promotional activity could pressure margins. The company later reported Q4 earnings results and that exceeded analysts' expectations and in-line guidance for the first quarter.

### Market Outlook

Looking forward, it seems that expectations are now low for 2013 with "fiscal cliff" concerns having temporarily slowed technology investment in the US. We are hopeful that this uncertainty will be relieved over the next few months, and that we may see a better spending pattern over the course of the year. After that, we think the resolution of the fiscal issues facing many of the developed world countries will lead to a better outlook for spending, though we think the move to cloud computing will mean that there is slower growth in hardware sales.

Though off to a slow start, we think that Windows 8 still has the potential to trigger a significant PC upgrade cycle which could have positive implications for stocks across the technology sector. Though price points for Windows 8 devices are currently at the higher-range of similar products, we expect production ramp ups and subsequent price reductions to draw customers to buy the new touch-enabled products. It is our expectation that this could be a driver in the latter half of 2013 and into 2014. That said, we believe the overall market for touch-enabled products like tablets and the inexpensive smart phone in developing markets are likely to continue to be high growth products in this and in coming years.

With low valuations and growing yields, we believe many tech stocks have good support, and growth companies should continue to gain traction in their respective markets. With these positive underpinnings, we think 2013 could be good for technology stocks.

## Performance (%)



## Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	10.2	13.2	13.1	33.7	51.6
NAV	11.7	11.9	5.4	41.1	63.2
Benchmark	6.6	3.9	6.8	34.5	59.2

## Discrete Performance (%)

From To	31.01.08 30.01.09	30.01.09 29.01.10	29.01.10 31.01.11	31.01.11 31.01.12	31.01.12 31.01.13
Share Price	-13.8	31.4	31.2	-9.9	13.1
NAV	-14.0	34.4	40.9	-5.0	5.4
Benchmark	-15.9	40.8	25.7	0.2	6.8

Source: Lipper, percentage growth, mid to mid, total return to 31.01.13.

Benchmark: Dow Jones World Technology Index (Sterling Adjusted).

Past performance is not a reliable indicator of future performance. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested.

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## Capital Structure

Total Assets:	£100.0m
Shares in Issue:	26,062,886 (Ordinary 25p)
Ordinary Share Price <sup>1</sup> :	341.0p
Net Asset Value (Ordinary) <sup>2</sup> :	383.8p
Premium/-Discount to NAV <sup>2</sup> :	-11.1%
NAV Frequency	Daily

1. Source: Lipper as at 31.01.13, market close mid price.

2. A trust's Net Asset Value (NAV) is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities. An undiluted, cumulative NAV is shown.

All data source Allianz Global Investors as at 31.01.13 unless otherwise stated.

Allianz Global Investors, 155 Bishopsgate, London EC2M 3AD

**This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.**

**Allianz**   
Global Investors

## Key Information

Launch Date:	December 1995
Continuation Vote:	2016
AIC Sector:	Specialist Sector: Technology, Media & Telecoms
Benchmark:	Dow Jones World Technology Index (Sterling Adjusted)
Annual Management Charge:	1% plus £50,000 p.a.
Performance Fee: <sup>2</sup>	Yes
On-going Charges: <sup>1</sup>	1.13%
Year end:	30 November
Annual Financial Report:	Final posted in March, Half-yearly posted in July
AGM:	April
Price Information:	Financial Times, The Daily Telegraph, www.rcmtechnologytrust.co.uk
Board of Directors:	David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway MBE, Dr Chris Martin
Company Secretary	Peter Ingram
Investment Manager	Walter Price
Codes:	RIC: RTT SEDOL: 0339072

1. Source: AIC, as at the Trust's Financial Year End. On-going Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee.

2. Calculated as 20% of the outperformance of the NAV compared to the indexed NAV over the performance period.

## Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value.

Competition among technology companies may result in aggressive pricing of their products and services, which may affect the profitability of the companies in which the Trust invests. In addition, because of the rapid pace of technological development, products or services developed by these companies may become rapidly obsolete or have relatively short product cycles. This may have the effect of making the Trust's returns more volatile than the returns of a fund that does not invest in similarly related companies.

Investment trusts can enhance returns through gearing. This can boost a Trust's returns when investments perform well, though losses can be magnified when investments lose value. This Trust does not currently employ gearing. Derivatives can be used to manage the Trust efficiently.

## How to Invest

The Trust is a UK public limited company traded openly on the stock market. You can purchase shares through a stock broker. Shares in the Trust can be held within an ISA and/or savings scheme and a number of providers offer this facility. A list of suppliers is available on our website.

## Contact Us

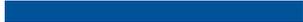
If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

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## Sector Breakdown (%)

Technology	67.4	
Consumer Services	13.1	
Industrials	6.9	
Consumer Goods	4.8	
Cash	2.9	
Financials	1.9	
Utilities	1.5	
Telecommunications	1.2	
Health Care	0.3	

## Geographic Breakdown (%)

North America	84.5	
Far East & Pacific	7.1	
Cash	2.9	
Europe ex UK	2.8	
UK	2.2	
South America	0.5	

## Top Ten Holdings (%)

Cisco Systems	4.9	Rackspace	2.7
Google	4.2	Cree	2.7
Salesforce.com	3.8	Amazon	2.7
Netsuite	3.2	Aruba Networks	2.6
Tesla Motors	3.0	Western Digital	2.4
<b>Total Number of Holdings</b>	<b>72</b>		

All data source Allianz Global Investors as at 31.01.13 unless otherwise stated.

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