

RCM Technology Trust PLC

Key Information	
Total Assets [†]	£55.1m
Gearing [†] (net)	nil
No. of Shares [†] (Ordinary Shares)	23,629,312
No. of Shares ^{**} (Subscription Shares)	4,772,062
Share price* (Ordinary Shares)	225.0p
Share price* (Subscription Shares)	33.5p
Premium/-discount to NAV [†]	-6.5%
Package Value [†]	231.7p
Package premium/ -discount [†]	-2.9%
Net asset value [†] (Ordinary Shares)	240.7p
Benchmark	Dow Jones World Technology Index (Sterling adjusted, total return basis)
AIC Sector	Tech Media & Telecomm
RIC	RTT
Year end	30th November
Reports and Accounts	Final posted in March, Interim posted in July
AGM	April
Dividends	None
Price Information	Financial Times and The Daily Telegraph
Board of Directors	David Quysner (Chairman), John Cornish FCA, Paul Gaunt, Anthony Townsend, Dr Chris Martin, Richard Holway
Investor services	020 7065 1407
Brochure request	0800 317 573

† Source: Allianz Global Investors as at 31.01.08

Investment trusts are quoted companies listed on the London Stock Exchange. Their share price is determined by factors including demand, or lack of, which means that the shares may trade below (at a discount to) or above (at a premium to) the underlying net asset value. The package value is the value of one Ordinary Share and 1/5th of a Subscription Share.

The Trust may also seek to enhance returns for its shareholders through gearing, in the form of bank borrowings. Gearing can boost the Trust's returns when investments perform well, though losses can be magnified when investments do badly.

* Source: Lipper as at 31.01.08

** Following the approval of special resolutions at an extraordinary general meeting in August 2007, 4,770,568 RCM Technology Trust Subscription Shares have been listed. Qualifying shareholders received one Subscription Share for every five Ordinary Shares held by them on the 17.08.07. These are qualifying investments for existing PEPs and the stocks and shares component of an ISA. Each Subscription Share is capable of conversion, on notification to the Company in the thirty days preceding the annual general meeting in any of the years 2008 to 2012 (inclusive), into one Ordinary Share on the date of the relevant annual general meeting. The Conversion Price of the Subscription Shares will be 267p, which represented a 10% premium to the Net Asset Value per Share (calculated on an undiluted basis and in accordance with the basis set out in the prospectus dated 18.07.07) as at the close of business on 14.08.07. The Subscription shares may be traded separately from the Ordinary shares.

Trust aim & characteristics

The investment objective of the Company is to invest principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth.

Fund Manager's Review



Walter Price

Slowdown in business IT spending anticipated

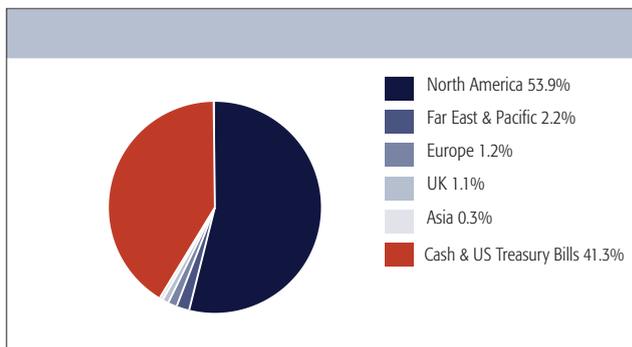
Recent economic data suggests that we are witnessing a downturn in economic activity in many parts of the world and an increasing number of commentators are forecasting a US recession. The full impact of last year's liquidity crisis may not yet have been felt. Further write-downs and capital raisings in the financial sector seem probable. Against this background, enterprise - or business - spending is likely to remain under pressure and company information technology budgets for 2008 will be under close scrutiny and, in many cases, cut.

Higher than normal cash levels in the Trust

Additionally, in the current reporting season the market's reaction to anything other than exceptional results has generally been negative, as investors focus on cautious outlook statements. In this environment the Trust is prepared to hold higher than usual levels of cash in the portfolio so as to be able to take advantage of the opportunities presented by price falls. At the time of writing (6.02.08) the liquidity is approximately 25% and has temporarily been even higher than this level. However this liquidity, which is held in the form of treasury bills and bank deposits, is in response to the exceptional market conditions currently, and will not remain at these levels in the medium term.

Opportunities to purchase high growth companies at increasingly attractive ratings

There are a number of segments of the technology sector where prospects look much brighter, including some aspects of consumer-related technology, solar power, and the continuing strong growth of the internet in China. Recent falls have created opportunities to buy selected stocks in these areas at low valuations relative to their prospective growth rates. In more difficult times, investors have also historically favoured companies capable of maintaining sales growth through product innovation. Corporate activity could also increase further, as seen in the purchase of BEA by Oracle and Microsoft's bid for Yahoo. Our belief is that any downturn will be relatively mild compared to past recessions and that many of our favoured growth companies could rally quite sharply in the second half as investor appetite for higher growth companies improves with the prospect of a more stable economy in 2009. RCM will, therefore, maintain its policy of seeking to identify market leaders in emerging growth areas of the technology sector.



Source: Allianz Global Investors as at 31.01.08.
Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

Top 10 holdings

Name	%
US Treasury 0% 2008	33.4
Microsoft	6.6
Qualcomm	4.9
Intel	4.3
Activision	3.1
Google	2.9
Focus Media	2.8
McAfee	2.7
Nvidia	2.4
Riverbed Technologies	2.2
Total	65.4

Source: Allianz Global Investors as at 31.01.08. 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.

History

The Trust was launched in December 1995 as a way for investors to gain exposure to quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth. The Board appointed RCM to manage the fund's assets from April 2007. The decision was based on the performance of RCM's US-based technology team, their experience and the manager's depth of expertise in the management of investment trusts.

Launch Date: December 1995 **Wind-up Date:** None (continuation vote in 2011)

Share buybacks

The Company has adopted a discount management policy whereby consideration is given to buying back shares, for cancellation and into treasury, at prices representing a discount greater than 7.0% to net asset value per share, if there is demand for it to do so. 304,500 shares have been repurchased for cancellation since RCM assumed management of the Company, and no shares are currently held in treasury.

Standardised Past Performance					
From to	31/12/2002 to 31/12/2003	31/12/2003 to 31/12/2004	31/12/2004 to 30/12/2005	30/12/2005 to 29/12/2006	29/12/2006 to 31/12/2007
Share Price	53.6%	-3.6%	10.6%	-6.7%	22.2%

Source: Allianz Global Investors/Lipper Hindsight. Discrete years, mid to mid, basic rate tax, based in UK sterling. Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

Please note that RCM were appointed managers of this Trust on 30th April 2007.

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.