

## Aim

The Trust's objective is to achieve long-term capital growth by investing principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth.

## Risks & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are 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.

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 trust's assets from April 2007. The decision was based on the performance of RCM's US-based technology team, their experience and RCM's depth of expertise in the management of investment trusts.

## Fund Manager's Review



Walter Price

October saw extreme volatility in equity markets with banking rescues around the world. Technology stocks performed badly with fears of a global recession driving stocks lower. Most technology companies met expectations for the third calendar quarter, but business was weak in October.

Although the Trust's NAV was down by 5.50%, the trust outperformed the benchmark which fell 9.55%. The outperformance can be attributed to the changes made to the portfolio in August and September when we reduced and/or sold positions in stocks which had overly optimistic expectations. Also, in a positive development, a number of our holdings with good fundamentals such as McAfee, Riverbed, Ten Cent, American Tower, and Google began to stabilise. This is the first time in several months that fundamental analysis has again begun to matter. Other stocks like Apple and Oracle seemed to reach a level of valuation that stopped their declines. For example, Apple has \$27 a share in net cash and a \$10 cash earnings run rate, so the stock is selling for 7x cash earnings. Though cash earnings may decline in the recession, this valuation seems to provide a level of stability.

Managements have taken the opportunity to reset expectations to a much lower level for 2009, and stocks are responding well to these revised forecasts.

## Key Information

<b>Total Assets:</b>	£48.3m
<b>No. of Ordinary Shares:</b>	23,565,249
<b>No. of Subscription Shares<sup>2</sup>:</b>	4,765,631
<b>Ordinary Share Price<sup>1</sup>:</b>	184.50p
<b>Net Asset Value (Ordinary)<sup>3</sup>:</b>	205.06p
<b>Premium/-Discount to NAV<sup>3</sup>:</b>	-10.0%
<b>Subscription Share Price<sup>1,2</sup>:</b>	12.00p
<b>No. of Holdings:</b>	75

All data source RCM (UK) Limited as at 31.10.08 unless otherwise stated.

<b>Launch Date:</b>	December 1995
<b>Continuation Vote:</b>	2011
<b>AIC Sector:</b>	Technology, Media & Telecoms
<b>Benchmark:</b>	Dow Jones World Technology Index (Sterling Adjusted)
<b>Year end:</b>	30 November
<b>Reports &amp; Accounts:</b>	Final posted in March, Interim posted in July
<b>AGM:</b>	April
<b>Price Information:</b>	Financial Times, The Daily Telegraph, <a href="http://www.rcm.com/investmenttrusts">www.rcm.com/investmenttrusts</a>
<b>Board of Directors:</b>	David Quysner CBE (Chairman), John Cornish FCA, Paul Gaunt, Richard Holway, Dr Chris Martin
<b>Investment Manager:</b>	Walter Price CFA, Managing Director, Senior Analyst, RCM A company of Allianz Global Investors
<b>Investor Services:</b>	020 7065 1407

<sup>1</sup>Source: Lipper as at 31.10.08, market close mid price.

<sup>2</sup>Please refer to Subscription Shares section on page 2

<sup>3</sup>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, cum-income NAV is shown.

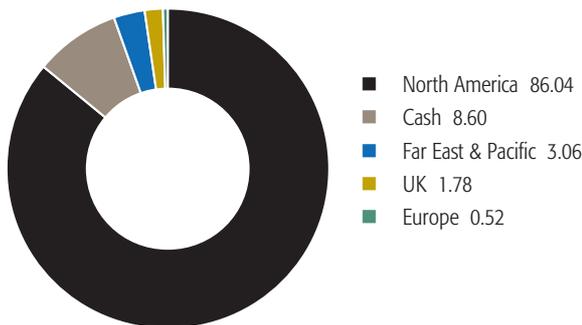
## (Cont.)

We hope that this is the beginning of some stabilisation in technology stock prices and a good earnings base from which to begin a recovery. With valuations approaching all time lows, we are hopeful that stocks will begin to reflect a recovery as soon as it becomes more visible. As a result, we have invested much of the cash raised a month ago into the portfolio, so that we are over 90% invested. We continue to try to find those companies that can produce solid growth in this environment.

## Top Ten Holdings (%)

Name	%
Microsoft	7.1
Hewlett Packard	6.9
Apple	6.0
Google	5.3
International Business Machines	4.9
Oracle	4.3
Intel Corporation	3.7
Qualcomm	3.5
Cisco	3.3
US Treasury Bills - 0% 20/11/2008	3.1
<b>Total</b>	<b>48.1</b>

## Geographic Breakdown (%)



Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

## 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.

**RIC:** RTT      **SEDOL:** 0339072      **ISIN:** GB0003390720

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 from the AIC at [www.theaic.co.uk](http://www.theaic.co.uk)

Please note: Our Investment Trust Savings Plan was closed and transferred to Alliance Trust Savings on 29 February 2008. Alliance Trust can be contacted on 01382 573 737 or [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

## RCM Advantage

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world through professionally managed portfolios. Each trust benefits from the expertise of the RCM fund managers yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors.

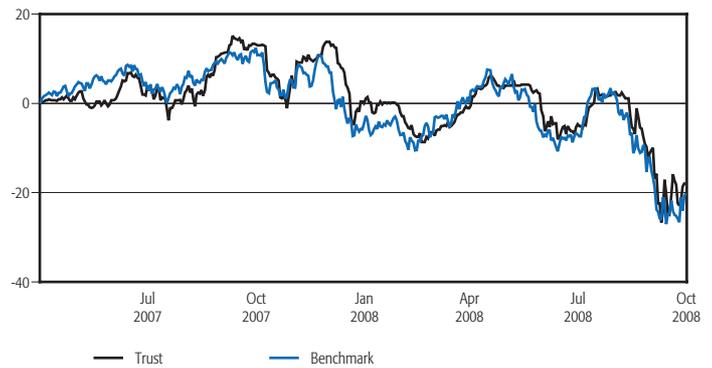
RCM is the global equity specialist within Allianz Global Investors. With offices strategically located in the US, Europe and Asia, RCM uses its global research platform to search out investment opportunities.

All data source RCM (UK) Limited as at 31.10.08 unless otherwise stated.

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## Performance

### Trust Performance Since 1 May 2007 (%)



### Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-13.99	-17.08	-27.58	-	-
Benchmark	-14.20	-20.47	-29.01	-	-

### Standardised Past Performance (%)

From	28.09.07	29.09.06	30.09.05	30.09.04	30.09.03
To	30.09.08	28.09.07	29.09.06	30.09.05	30.09.04
Share Price	-20.72	18.62	-4.77	24.65	-12.84

Source: Lipper, percentage growth, mid to mid, capital return, to 31.10.08

Benchmark: Dow Jones World Technology Index (Sterling Adjusted)

Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

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.

**RCM were appointed managers of this Trust on 30th April 2007.**

## Subscription Shares

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 17.08.07. These are qualifying investments for stocks and shares ISAs. 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.