

28 May 2010

## 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 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.

## 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

The month of May was difficult for technology investors with the DJTM World Tech (GBP) Index declining 3.8%. The Trust slightly outperformed the benchmark by declining 1.43% in NAV terms.

We have been near fully invested this year, with a portfolio that is quite different from the technology benchmark. This benefitted us in May, as stocks like NetFlix, F5 Networks, Salesforce.com, and Akamai Technologies each drafted behind the strength of the cloud computing theme. Their success has

been dampened slightly by our investments in energy savings and production, with specific declines in stocks such as First Solar, Itron, and Aixtron. While these stocks were driven lower during the most recent correction and we may have to be patient for conservation and green energy to regain popularity, the deepwater oil rig explosion in the Gulf of Mexico ensures that the U.S. will continue to increase focus on cleaner fuels and a smarter grid.

The burgeoning debt crisis in Europe could serve as a preview of issues percolating throughout the public and private sectors worldwide. Specifically, consumers, local municipalities, and national governments are all struggling with the simple question of how to live within one's budget. The world faces a difficult transition from credit, but we are hopeful that technology will help smooth the transition by allowing much more efficient use of resources.

Over the past few months, we have cut some of our cell phone positions such as

## Key Information

<b>Total Assets:</b>	£73.7m
<b>No. of Ordinary Shares:</b>	22,658,090
<b>No. of Subscription Shares<sup>2</sup>:</b>	4,720,287
<b>Ordinary Share Price<sup>1</sup>:</b>	283.5p
<b>Net Asset Value (Ordinary)<sup>2</sup>:</b>	325.1p
<b>Premium/-Discount to NAV<sup>2</sup>:</b>	-12.8%
<b>Subscription Share Price<sup>1,2</sup>:</b>	51.0p
<b>No. of Holdings:</b>	71

All data source RCM (UK) Limited as at 28.05.10 unless otherwise stated.

<b>Launch Date:</b>	December 1995
<b>Continuation Vote:</b>	2011
<b>AIC Sector:</b>	Specialist Sector: Technology, Media & Telecoms
<b>Benchmark:</b>	Dow Jones World Technology Index (Sterling Adjusted)
<b>Year end:</b>	30 November
<b>Annual Financial Report:</b>	Final posted in March, Half-yearly posted in July
<b>AGM:</b>	April
<b>Price Information:</b>	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
<b>Board of Directors:</b>	David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), 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 28.05.10, 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.)

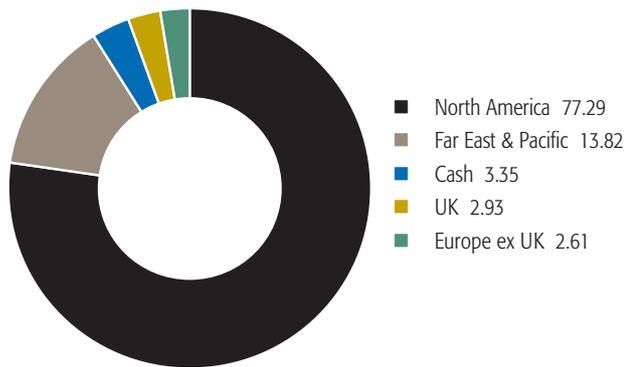
RIMM and Qualcomm, but have kept solid weightings in Apple. We expect good growth for PCs in 2010 because of the strong reception for Windows 7, and we expect a strong rebound in communications spending as demand for internet video and mobile content expands. We believe that technology products offer good returns for companies in 2010 and we expect a rebound in spending in 2010.

RCM (UK) Limited, 155 Bishopsgate, London EC2M 3AD

## Top Ten Holdings (%)

Name	%
Apple	5.7
Cisco	4.3
Amazon	3.9
Akamai Technologie	3.8
Salesforce.com	3.5
Google	3.3
Netflix	3.0
Baidu.com	2.9
Successfactors	2.8
Riverbed Technology	2.5
<b>Total</b>	<b>35.7</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 on our website [www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts) or 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)

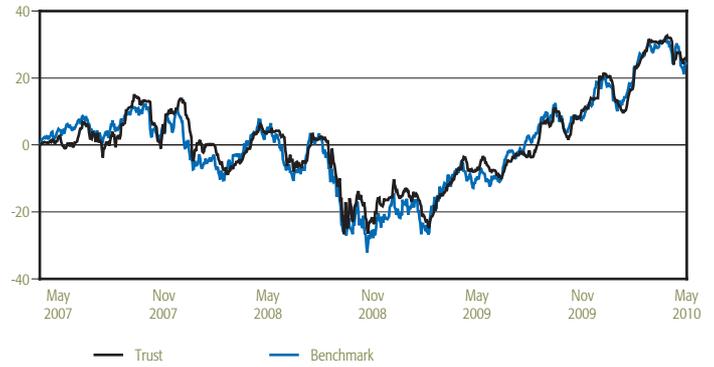
## RCM Advantage

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.

## Performance

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



### Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	7.18	13.86	36.30	-	-
Benchmark	3.91	14.74	38.16	-	-

### Standardised Past Performance (%)

From	31.03.05	31.03.06	30.03.07	31.03.08	31.03.09
To	31.03.06	30.03.07	31.03.08	31.03.09	31.03.10
Share Price	14.46	-5.16	-6.77	-8.81	54.05

Source: Lipper, percentage growth, mid to mid, capital return, to 28.05.10

Benchmark: Dow Jones Global 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.

All data source RCM (UK) Limited as at 28.05.10 unless otherwise stated.

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