

RCM Technology Trust PLC

Key Information

Total Assets[†]	£66.3m
Gearing[†] (net)	nil
No. of Shares[†] (Ordinary Shares)	23,799,312
No. of Shares**(Subscription Shares)	4,772,062
Share price* (Ordinary Shares)	256p
Share price* (Subscription Shares)	50p
Premium/-discount to NAV[†]	-6.3%
Package Value[†]	266p
Package premium/ -discount[†]	-2.6%
Net asset value[†] (Ordinary Shares)	273.1p
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 31.12.07

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 31.12.07

** 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



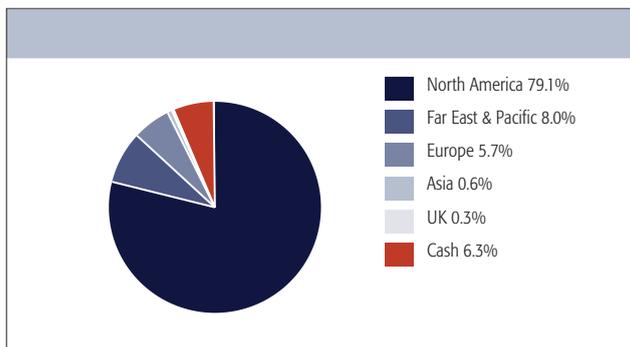
Walter Price

During the month technology stocks continued to rebound from the correction in November, when fears of a slowdown in spending and a poor holiday season were intense. December's returns were partially the result from holdings Suntech Power and First Solar in the solar energy area, these companies benefited European demand which was unseasonably strong and results were much better than expected. We also saw this group of stocks become mainstream holdings for many growth investors during the fourth quarter. We also had good gains from Apple because of the success of the iPhone and its revenue sharing model with the carriers, and from Salesforce.com, which won several customers including Citicorp away from Oracle. On the negative side, our communications holdings suffered from Cisco's cautious comments about demand in several of their customer segments, and a few of the semiconductor holdings declined as customers continued to order cautiously. NII Holdings detracted from performance because of concerns about intensifying competition in the Mexican cellular market.

Looking ahead we think the US economy might be entering a recession and that investors are in the process of reducing their expectations for company earnings. Most technology companies probably met expectations in the fourth quarter, and they will be reluctant to give too dire a forecast until they see their business decline. Most companies that we talk with through our Grassroots surveys are just starting to tighten budgets, so this process of reducing expectations should last at least a quarter. As expectations are lowered for 2008, we would expect stocks to continue to trend lower. Thus, we have raised about 20% cash in the last month, and may raise a more if stocks rally on good fourth quarter results. We believe that 2008 will start as a difficult year.

In the end, many of the large technology companies may actually meet their lowered expectations, rather than missing them like in previous US recessions, because of the lack of strong spending in recent years and because many projects have a rapid cash payback and the weak dollar provides a nice benefit. On the consumer side, there are still several high growth areas like gaming and smart phones. Business outside the US could continue to be solid, and for most technology companies this is growing in importance. Valuations are low by historical standards, and most technology companies are generating cash and using it to buy back their stock. So we think there will be significant gains in the second part of the year, as business proves to be more resilient than feared, and investors look forward to a period of recovery in 2009.

Areas that should do well in 2008 include Chinese media and internet companies that are anticipating the Beijing Olympics and the emergence of a strong consumer economy in that country. Energy conservation and solar should also be high growth areas in 2008. In summary, we are hopeful that the slowdown will set a base for strong growth in future years.



Source: Allianz Global Investors as at 31.12.07.

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

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.

Top 10 holdings

Name	%
US Treasury 0% 2008	7.7
Microsoft	7.0
Intel	5.0
Apple	4.9
Google	4.4
Nvidia	4.0
Cisco Systems	3.9
Salesforce.com	3.4
Focus Media	3.2
Powershares QQQ	3.1
Total	46.6

Source: Allianz Global Investors as at 31.12.07. 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. 134,500 shares have been repurchased for cancellation since RCM assumed management of the Company, and no shares are currently held in treasury.