

# RCM Technology Trust PLC

Factsheet

31 December 2013

## Fund Manager's Review



**Walter Price**

### Portfolio Highlights

The Trust's NAV rose by 3.7% in December which outperformed the benchmark return of 2.3%.

As in November, China-based real estate website operator SouFun Holdings was among our top contributors. Shares surged following a report that indicated new home prices in China had risen 11% year-on-year.

Social networking company Facebook was another top contributor. The company's shares joined the S&P 500 Index which prompted sizeable purchases from passive and benchmark-plus funds. We remain very constructive on Facebook and believe the company's stickiness with users and enhanced sales and marketing efforts (which include the recent addition of video ads) could drive the next leg-up in share price.

On the negative side, solar power solutions provider SunPower was among the top detractors during the month. The company's shares paused as investors looked towards 2014. Management has noted that the near-term demand outlook for solar projects in the US and Japan remains robust, but there are some concerns that margins could reduce due to higher polysilicon prices. The company plans to invest in additional higher efficiency capacity over the next couple years. We are optimistic that SunPower will be able to add supply in a manner consistent with the demand for its solar panels.

Secure wireless networking solutions provider Aruba Networks also detracted from performance. The company's shares fell after a competitor, Cisco Systems, lowered its three to five year revenue outlook.

### Market Outlook

Equity markets in the developed world have done exceedingly well this year as investors have reacted positively to improving visibility on a number of the economic and political challenges impacting the global economy over the past few years.

The returns for some of the largest technology companies in the sector have been relatively less spectacular this year amid soft sales in the traditional software, hardware, and IT services segments. We believe there are two reasons for this: 1) increased scrutiny over capital investment and 2) managements are contemplating their transition to on-demand, "cloud" solutions.

We expect the threat of the cloud to traditional technology companies could accelerate in the coming year amid friendlier macro conditions and high-profile deployments across larger corporate and government customers. Because of the increasingly competitive environment in the cloud, we believe selective investment in established leaders in the space will provide the best potential price returns.

Despite the apparent weakness in other areas of the technology sector, consumer Internet companies have done exceptionally well this year. These companies are introducing a whole new way for businesses and advertisers to engage with customers in higher return formats. We believe there is a long runway for this process to unfold and expect this group could generate strong returns over the long-term.

We acknowledge that risks in the equity markets are still present in the form of uncertainty regarding global monetary policy as well as the potential for stalled policy or economic progress in major economies. Still, we believe the fundamental improvements in the global economy and growing and momentum of major trends could continue the secular bull market in technology.

## Performance (%)



### Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	6.7	31.0	63.2	60.0	175.8
NAV	6.7	18.2	49.5	42.9	154.3
Benchmark	8.9	11.0	23.7	28.6	116.8

### Discrete Performance (%)

From To	31.12.08 31.12.09	31.12.09 31.12.10	31.12.10 30.12.11	30.12.11 31.12.12	31.12.12 31.12.13
Share Price	41.6	21.8	-9.3	8.1	63.2
NAV	39.5	27.5	-8.0	3.9	49.5
Benchmark	44.5	16.7	-4.5	9.0	23.7

Source: Lipper, percentage growth, mid to mid, total return to 31.12.13.

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

Past performance is not a reliable indicator of future returns. 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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### Awards



All data source Allianz Global Investors as at 31.12.13 unless otherwise stated.

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**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

## Capital Structure

Total Assets:	£136.0m
Shares in Issue:	25,349,941 (Ordinary 25p)
Ordinary Share Price <sup>1</sup> :	524.0p
Net Asset Value (Ordinary) <sup>2</sup> :	536.6p
Premium/-Discount to NAV <sup>2</sup> :	-2.3%
NAV Frequency	Daily

1. Source: Lipper as at 31.12.13, 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.

Note 1

## 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, Robert Jeens, 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 (30.11.2012). 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.

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## Sector Breakdown (%)

Technology	68.5	
Consumer Services	17.1	
Industrials	5.9	
Utilities	4.5	
Financials	3.0	
Consumer Goods	2.2	
Cash	-1.2	

## Geographic Breakdown (%)

North America	79.8	
Far East & Pacific	12.1	
Europe ex UK	6.9	
UK	2.0	
South America	0.5	
Cash	-1.2	

## Top Ten Holdings (%)

Google	6.8	Apple	3.8
Facebook	5.0	ServiceNow	3.2
Intel	4.0	Alcatel-Lucent	3.1
SunPower	3.9	Soufun	3.1
Amazon	3.9	Salesforce	2.7
<b>Total Number of Holdings</b>	<b>74</b>		

## 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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