

RCM Technology Trust PLC

Factsheet

30 June 2013

Fund Manager's Review



Walter Price

Portfolio Highlights

The Trust's NAV was up by 1.23% in June, outperforming the benchmark which fell by 4.14%; both stock selection and industry allocation decisions had a positive effect on relative performance.

At the stock level, electric vehicle and powertrain manufacturer, Tesla Motors, was again among the top contributors to active performance.

Tesla's share price has more than tripled since the beginning of the year amid reports of strong demand for the company's Model S family saloon. In June, Tesla's management unveiled plans to implement a battery swapping system that will allow drivers to exchange their Model S battery for a fully charged one in about 90 seconds. These systems will be available at "Supercharging" stations that already give Tesla owners about 200 miles of driving range on a charge of 20-30 minutes. These systems are part of a greater plan to alleviate the "range anxiety" issues some drivers still feel about electric vehicles. We think these systems could continue to drive the mass adoption of electric vehicles and we see Tesla leading the charge.

Our significant underweight position in Apple was also a major contributor to relative performance. We began selling down our position last autumn based on our view that margins had peaked and the company would face stiffer competition going forward. We ultimately exited our position in June as we continue to see a rough path ahead for the company given market saturation in the high-end smartphone market, ongoing margin pressure from increasing component prices, and product development that seems more evolutionary rather than revolutionary.

Other top contributors included overweight positions in memory chip manufacturer Micron Technology and solar systems maker SunPower as well as being underweight in Samsung.

Japanese datacentre operator Bit-isle was the top detractor during the month. Shares fell after the company reported disappointing sales and earnings figures in its latest quarterly report. We continue to like Bit-isle due to its strategic positioning in the Internet data centre industry which we expect to experience strong growth driven by increased data demands over mobile devices and favourable trends in corporate continuity planning.

Network security solution provider Palo Alto Networks was also among the top detractors. At the end of May, the company reported fiscal third quarter revenue figures that lagged analysts' estimates and issued guidance for the fourth quarter that also fell short. Management cited challenging economic conditions in Europe and a pull-back in spending among government clients as headwinds. We believe the company still has considerable room to maintain above-average sales growth based on its strong product portfolio and positioning in one of the fastest growing markets in the technology sector. We expect businesses and governments will spend a growing percentage of their IT budgets on security solutions as more and more sensitive data is transmitted over the Internet.

Market Outlook

Broadly, we think technology companies should benefit from improvement in business technology spending trends over the coming years. US corporations currently have record amounts of cash on their balance sheets and have experienced profit growth of over 100% since 2008. After severe underinvestment in technology for the past few years, we expect companies could start to increase their technology spending particularly on consumer-facing software solutions.

In addition, we think there are certain growth areas within technology that could gain further momentum especially in a more pro-investment environment. These are companies we believe should demonstrate above-sector growth through the introduction of a differentiated technology or experiencing robust business momentum. Currently, we have positioned our portfolio so that it may benefit from areas of growth such as cloud computing, communications infrastructure upgrades, and applications on smartphones and other mobile devices.

We acknowledge that risks are still present in the form of uncertainty regarding the full implications of federal spending cuts in the United States as well as the potential for stalled policy or economic progress in Europe and Asia. Still, with low valuations and growing yields, many technology stocks have good support. We believe that the ongoing alleviation of these risks, improved corporate demand, and certain unique growth drivers could set the stage for the next secular bull market in technology.

All data source Allianz Global Investors as at 30.06.13 unless otherwise stated.

Allianz Global Investors, 155 Bishopsgate, London EC2M 3AD

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.

Performance (%)



Cumulative Performance (%)

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|-------------|----------|----------|--------|---------|---------|
| Share Price | 7.2 | 24.6 | 33.6 | 42.4 | 73.9 |
| NAV | 10.0 | 26.4 | 29.9 | 51.4 | 98.2 |
| Benchmark | 0.4 | 11.4 | 11.5 | 38.4 | 71.9 |

Discrete Performance (%)

| From To | 30.06.08 30.06.09 | 30.06.09 30.06.10 | 30.06.10 30.06.11 | 30.06.11 29.06.12 | 29.06.12 28.06.13 |
|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Share Price | -9.6 | 35.1 | 21.7 | -12.4 | 33.6 |
| NAV | -1.4 | 32.7 | 30.8 | -10.9 | 29.9 |
| Benchmark | -2.6 | 27.6 | 16.6 | 6.4 | 11.5 |

Source: Lipper, percentage growth, mid to mid, total return to 30.06.13.

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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Capital Structure

| | |
|---|---------------------------|
| Total Assets: | £115.1m |
| Shares in Issue: | 25,362,527 (Ordinary 25p) |
| Ordinary Share Price ¹ : | 400.0p |
| Net Asset Value (Ordinary) ² : | 453.8p |
| Premium/-Discount to NAV ² : | -11.9% |
| NAV Frequency | Daily |

1. Source: Lipper as at 30.06.13, 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.

Allianz 
Global Investors

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: ² | Yes |
| On-going Charges: ¹ | 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, 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.

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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Sector Breakdown (%)

| | | |
|--------------------|------|---|
| Technology | 56.4 |  |
| Consumer Services | 18.2 |  |
| Industrials | 8.4 |  |
| Consumer Goods | 6.2 |  |
| Utilities | 3.7 |  |
| Cash | 3.1 |  |
| Financials | 2.1 |  |
| Telecommunications | 1.3 |  |
| Basic Materials | 0.4 |  |
| Health Care | 0.2 |  |

Geographic Breakdown (%)

| | | |
|--------------------|------|---|
| North America | 77.3 |  |
| Far East & Pacific | 13.9 |  |
| Cash | 3.1 |  |
| Europe ex UK | 2.8 |  |
| UK | 2.8 |  |
| South America | 0.1 |  |

Top Ten Holdings (%)

| | | | |
|---------------------------------|-----------|-------------------|-----|
| Google | 6.3 | Micron Technology | 3.3 |
| Tesla Motors | 5.8 | Western Digital | 2.9 |
| Cisco Systems | 3.9 | Pandora Media | 2.7 |
| SanDisk | 3.9 | 51Job | 2.2 |
| SunPower | 3.6 | Amazon | 2.1 |
| Total Number of Holdings | 81 | | |

All data source Allianz Global Investors as at 30.06.13 unless otherwise stated.

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