

Investment Rationale

From entertainment to manufacturing and from education to energy, technology has the ability to change lives on a global scale. The RCM Technology Trust connects investors to this fast-moving world. The Trust is managed by Walter Price, Managing Director and co-head of the award-winning RCM global technology team. Based in San Francisco, the team has specialist research resources which enhance its expertise in this sector. Walter Price has been analysing technology stocks for more than 35 years.

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.

History

The Trust was formed in December 1995 and re-launched by RCM in 2007 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 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



Portfolio Review

The RCM Technology Trust portfolio increased 4.11% (NAV total return for the month, in line with the Dow Jones World Index, which gained 4.10%.

Our portfolio had several positive and negative stock impacts. On the positive side, the portfolio benefited from holdings in Tesla, athenahealth, Yandex, LinkedIn, and Autodesk. In addition, we saw a continuing rebound in some of our cloud computing holdings which had been under pressure for several months, as Salesforce.com continued its stock rebound as well as did Rackspace. On the negative side, we had small positions in Adtran, Groupon, Synaptics, Nuance, and First Solar which declined for the month. Even though Apple was by far our largest holding, it was the biggest detractor from relative performance since it has increased to more than 15% of many benchmarks. We had been reducing several of our underperforming positions which reported disappointing results, but the stocks continued their downtrend and hurt performance.

Our Chinese holdings had mixed results, as Baidu increased while Sina and China Telecom declined. We are optimistic that the Chinese economy is bottoming and should recover in the second half of this year.

Market Outlook

We continue to expect solid growth in the technology space in 2012, and we have been surprised by the positive reaction to cautious guidance from companies about 2012 earnings. We are still worried about the weakness in Europe flowing into results in the first quarter but think that most estimates can still be exceeded, as monetary stimulus continues and the world economies begin to grow faster. The stock rebound we expected later in the year seems to be coming earlier, as investors are looking through the soft results from the semiconductor companies and anticipating a recovery in the second half of 2012. First quarter results may test this positive attitude as we think business is still mixed, particularly in the PC business. However, as the year continues, we expect improving results. We remain cautiously optimistic about 2012.

Performance (%)



Cumulative Performance (%)

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|-------------|----------|----------|--------|---------|---------|
| Share Price | 8.0 | -0.7 | -8.2 | 67.5 | 42.4 |
| NAV | 15.1 | 18.1 | -2.2 | 86.7 | 71.8 |
| Benchmark | 17.4 | 25.6 | 12.0 | 81.3 | 62.4 |

Discrete Performance (%)

| From | 30.03.07 | 31.03.08 | 31.03.09 | 31.03.10 | 31.03.11 |
|-------------|----------|----------|----------|----------|----------|
| To | 31.03.08 | 31.03.09 | 31.03.10 | 31.03.11 | 30.03.12 |
| Share Price | -6.8 | -8.8 | 54.1 | 18.5 | -8.2 |
| NAV | -3.4 | -4.8 | 49.9 | 27.4 | -2.2 |
| Benchmark | -3.0 | -7.7 | 52.1 | 6.5 | 12.0 |

Source: Lipper, share price calculation percentage growth, mid to mid, total return to 31.03.12.

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

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 was appointed manager of this Trust on 30th April 2007.

Capital Structure

| | |
|---|---------------------------|
| Total Assets: | £88.8m |
| Shares in Issue: | 22,321,220 (Ordinary 25p) |
| Ordinary Share Price ¹ : | 321.5p |
| Subscription Share Price ¹ : | 51.5p |
| Net Asset Value (Ordinary) ² : | 397.7p |
| Premium/-Discount to NAV ² : | -19.2% |
| NAV Frequency | Daily |

1. Source: Lipper as at 31.03.12, 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.



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: | 1.00% |
| Performance Fee: ² | Yes |
| Total Expense Ratio: ¹ | 1.40% |
| 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.rcm.com/investmenttrusts |
| Board of Directors: | David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway, Dr Chris Martin |
| Company Secretary | Kirsten Salt |
| Investment Manager | Walter Price |
| Codes: | RIC: RTT SEDOL: 0339072 ISIN: GB0003390720 |

1. Source: Annual Financial Report

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 are used to manage the Trust efficiently.

Portfolio Analysis

| Top Ten Holdings | (%) | (%) | |
|--------------------------|-----|-----------------|-----|
| Apple | 8.6 | Baidu | 3.2 |
| Microsoft | 5.0 | Salesforce.com | 3.1 |
| Samsung Electronic | 3.8 | Google | 3.0 |
| Qualcomm | 3.7 | Quanta Services | 3.0 |
| Rackspace Hosting | 3.2 | Fusion-io | 2.9 |
| Total Number of Holdings | | | 58 |

| Sector Breakdown | (%) |
|--------------------|------|
| Technology | 75.7 |
| Consumer Services | 7.8 |
| Industrials | 5.9 |
| Consumer Goods | 4.8 |
| Cash | 3.2 |
| Telecommunications | 1.1 |
| Financials | 1.1 |
| Health Care | 0.4 |

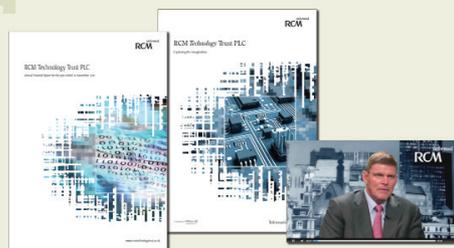
| Geographic Breakdown | (%) |
|----------------------|------|
| North America | 80.7 |
| Far East & Pacific | 14.2 |
| Cash | 3.3 |
| Europe ex UK | 1.8 |

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 or from the AIC at www.theaic.co.uk

CONTACT US

To download the Annual Financial Report, Trust brochure or watch an interview with the fund manager, please visit us online at www.rcm.com/investmenttrusts



If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

0800 389 4696

e-mail: investment-trusts@uk.rcm.com

website: www.rcm.com/investmenttrusts

All data source RCM (UK) Limited as at 31.03.12 unless otherwise stated.

Issued by RCM (UK) Limited. Authorised and regulated by the Financial Services Authority. The information contained herein including any expression of opinion is for information purposes only and is given on the understanding that it is not a recommendation and anyone who acts on it, or changes their opinion thereon, does so entirely at their own risk. The opinions expressed are based on information which we believe to be accurate and reliable, however, these opinions may change without notice.