

RCM Technology Trust PLC

Key Information

Total Assets*	£55.1m
No. of Shares† (Ordinary 5p)	23,933,812
Net asset value†	229.2p
Premium/-discount to NAV†	-1.6%
Share price*	225.5p
AIC Sector	Tech Media & Telecomm
RIC	RTT
Year end	30th November
Report and Accounts	Final posted in March, Interim posted in July
AGM	April
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 30.04.07

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.

Please also refer to Trust Aim & Characteristics, above right.

* Source: Lipper as at 30.04.07

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.

†The Trust also seeks 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.

Fund Managers' Review

As at 31st March 2007, latest available.

The quarter was off to a great start with a gain in January, but as the quarter progressed, investors became more concerned about the economy. In particular, the expected improvement in PC stocks from Microsoft's launch of Vista did not happen, as both reviews and demand proved mediocre. This transcended to other technology companies such as Nvidia, Marvell Technology, and Seagate dampening returns. On the positive side, the new console game cycle is well under way and with Wii propelling Nintendo's stock higher. Furthermore, Activision's Guitar Hero was the surprise hit of the holidays which will likely become a significant new franchise for the company.

There have been several contradictory indicators of economic activity in recent months, contributing to a confusing outlook for various asset classes. As we progress through the year, we expect the uncertainty about the US economy to dissipate, which we believe will be helpful for the portfolio. If the economy weakens, we would expect a rate cut to help stabilise any further negative trajectory. If the economy muddles through, we think corporate spending will return as their cash levels remain high and many new applications centred on the internet require funding. At the same time, the lowest valuations in the last ten years in this sector, plenty of money available for buyouts, and solid growth for most companies provide grounds for solid stock valuations.

Looking ahead we remain focused on growth sectors within technology, and we have seen a compression in the difference between valuations of high and low growth companies. We believe the large amount of cash available for buyouts has caused investors to see a 'price floor' below stocks with low absolute multiples, and has caused us to lag some of our value-oriented competitors. We are hopeful that as our companies grow at high rates, they will soon have even more moderate multiples and continuing high growth rates. This should cause the small valuation difference to widen again, benefiting the stocks in the Trust.



Price Walter

Top 10 holdings

Name	%
Nintendo	6.7
Cisco Systems	4.5
Nii Holdings	4.2
Intel	4.1
Apple Computer	3.7
Microsoft	3.7
Verisign	3.7
Google	3.6
Nvidia	3.3
LBI International	3.1
TOTAL	40.4

Source: Allianz Global Investors as at 30.04.07. The companies in which this Trust invests may be highly volatile.

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, the investment team and the manager's depth of experience 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. No shares have been repurchased for cancellation since RCM assumed management of the Company, and no shares are currently held in treasury.