

RCM Technology Trust PLC

Factsheet

28 February 2014

Fund Manager's Review



Walter Price

Portfolio Highlights

The Trust's NAV rose by 4.15% in February, outperforming the benchmark return of 3.27%.

Our position in electric vehicle maker Tesla Motors was one of the top contributors during the month. Tesla shares surged on the announcement of the company's plans to build a "gigafactory" to mass produce lithium-ion batteries for its vehicles. We think this could be a critical step toward producing the mass market electric vehicle which is one of our key investment case drivers.

Online retailer, zulily, also performed extremely well. The company's desktop and mobile websites offer "flash" sales on clothing and other merchandise targeted at current and expectant mothers. Zulily's shares surged after the company reported significantly better-than-expected sales and profits for the fourth quarter of 2013. The consistent rotation of merchandise and focus on more boutique product offerings are unique aspects of zulily's customer proposition which we think should keep engagement high.

Online health insurance broker eHealth was one of the top detractors. Final results were in line with expectations but guidance for 2014 was light of what investors were expecting. However, with the prospect of higher volumes and additional opportunities in the Medicare and employer markets, we think eHealth can grow its top-line considerably over the next several years.

China-based SouFun Holdings was another detractor during the month. SouFun's websites help property developers, real estate agents, and home improvement companies reach their customers through advertisements, real estate listings, and direct purchases through their e-commerce platform. The company's shares slumped during the month on general concerns regarding the pace of growth in Chinese home prices and the overall economy. However, we remain optimistic on the sales growth prospects for SouFun, even through moderately uncertain markets environments.

Market Outlook

Looking forward, we believe the technology sector could provide some of the best absolute and relative return opportunities in equity markets – especially for bottom-up stock pickers. At present, we are seeing a wave of innovation in the sector that is producing great returns for those companies leading the charge. In many cases, these advances are made at the expense of companies beholden to yesterday's technologies. We believe these conditions are ideal for our strategy which emphasises emerging leaders in next generation technologies.

We expect the threat of cloud computing 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 could provide the best potential price returns.

Beyond the cloud, expectations on many consumer Internet companies have become quite high over the past year. We anticipate that these valuation levels could come down in the near-term, but our expectations for strong revenue and earnings growth should continue to drive further appreciation in the shares of these companies. Social and mobile Internet 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 to generate strong returns over the long-term.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	9.2	20.6	61.7	63.9	219.5
NAV	9.5	19.0	40.3	43.7	192.3
Benchmark	4.3	10.3	15.0	30.1	138.1

Discrete Performance (%)

From To	27.02.09 26.02.10	26.02.10 28.02.11	28.02.11 29.02.12	29.02.12 28.02.13	28.02.13 28.02.14
Share Price	49.7	30.3	-3.9	5.6	61.7
NAV	52.5	33.4	-3.2	5.8	40.3
Benchmark	59.1	15.1	6.9	5.8	15.0

Source: Lipper, percentage growth, mid to mid, total return to 28.02.14.

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 28.02.14 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:	£143.7m
Shares in Issue:	25,349,941 (Ordinary 25p)
Ordinary Share Price ¹ :	564.8p
Net Asset Value (Ordinary) ² :	566.8p
Premium/-Discount to NAV ² :	-0.4%
NAV Frequency	Daily

1. Source: Lipper as at 28.02.14, 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:	0.8% plus £55,000 p.a. (Administration Fee)
Performance Fee: ²	Yes
On-going Charges: ¹	1.32%
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), Robert Jeens (Deputy 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 (30.11.2013). On-going Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee.

2. Calculated as 12.5% of the outperformance of the NAV compared to the indexed NAV over the performance period. The fee is capped at a maximum of 2.25% of the Trust's NAV at the year-end.

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	66.5	
Consumer Services	18.2	
Industrials	5.7	
Utilities	5.3	
Financials	4.0	
Consumer Goods	3.3	
Cash	-3.0	

Geographic Breakdown (%)

North America	83.4	
Far East & Pacific	11.3	
Europe ex UK	7.4	
UK	0.9	
Cash	-3.0	

Top Ten Holdings (%)

Facebook	5.9	Palo Alto Networks	3.0
Google	4.9	Alcatel-Lucent	2.9
ServiceNow	4.1	Salesforce	2.9
SunPower	4.1	Soufun	2.7
Microsoft	4.0	Ehealth	2.7
Total Number of Holdings	71		

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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