

RCM Technology Trust PLC

Key Information	
Total Assets	£58.7m
Gearing[†] (net)	nil
No. of Shares[†] (Ordinary 5p)	23,933,812
Net asset value[†]	244.3p
Premium/-discount to NAV	-7.3%
Share price*	226.5p
AIC Sector	Tech Media & Telecomm
RIC Sector	RTT
Year end	30th November
Reports and Accounts	Final posted in March, Interim posted in July
AGM	April
Dividends	None
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 29.06.07
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 29.06.07

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 may also seek 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 Manager's Review



Walter Price

The RCM Technology Trust had a good month. The NAV rose 1.51% in the month compared to a more modest rise of just 0.56% in the Dow Jones World Technology Index. It is encouraging to see investors beginning to buy growth stocks again.

During the month, we had a good period of stock picking, as several of our larger holdings such as Nvidia and Hon Hai did well. We also had solid performance from Nintendo, Intel, and Google.

Our decision to allocate a portion of our portfolio to alternative energy, particularly solar, paid off with significant appreciation by these stocks in the month. The European stocks were helped by a solar trade exhibition late in the quarter in Germany where many companies indicated that their business was extremely strong, not only in Germany, but also in Spain, Italy, and other southern European countries. This area is at the forefront of solving the greenhouse emissions problem, and we hope that other countries, particularly the two largest emitters – the US and China – will get serious as well. At least some states such as California are helping find some longer term solutions. We think this energy transformation, from a coal and oil based global economy to a more balanced group of cleaner sources, will continue to provide many great investment ideas.

We have had the thesis that many of the great potential investment ideas in technology are in Asia because of great markets or excellent execution ability. In the case of great markets, we continue to like the Chinese internet companies, because the combined market capitalization of these companies is less than one fifth of the combined US companies. We think this ratio should be much closer to 1. That is why we own such companies as Baidu, which did well this month. In terms of great execution, we have liked Hon Hai, which is one of the greatest companies that most people have never heard of. But if you own a portable PC, chances are part or all of it was made by this company, and this will increasingly be true of many high-end phones in the future as well.

As we look at the economy for the second half of the year, we continue to think that the US will be a bit slow, though we do not expect a recession. Companies are still very cautious about capital spending, though we see some sectors such as communications where spending is increasing as video over the internet stresses the existing networks. Thus we are underweight in the traditional technology sectors such as hardware, software, and IT services. We like communications equipment and services and the internet, where we are overweighted. We have been selective in semiconductors. And we continue to like our themes of the portable internet, a robust consumer product year, Asian internet, and alternative energy companies with strong cost reduction capabilities.

Standardised Past Performance					
From to	28/06/2002 30/06/2003	30/06/2003 30/06/2004	30/06/2004 30/06/2005	30/06/2005 30/06/2006	30/06/2006 29/06/2007
Share Price	-10.2%	13.8%	11.1%	1.7%	8.1%

Source: Allianz Global Investors/Lipper Hindsight. Discrete years, mid to mid, basic rate tax, based in UK sterling. Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers. Please note that RCM (UK) Ltd only assumed management of this Trust from end of April 2007

Top 10 holdings

Name	%
Google	5.1
Intel	4.7
Nintendo	4.3
Nvidia	4.1
NII	3.9
Apple	3.4
Focus Media	2.7
Sandisk	2.6
EMC	2.6
Tencent	2.3
Total	35.7

Source: Allianz Global Investors as at 29.06.07. 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.

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, their experience and the manager's depth of expertise 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.