

# RCM Technology Trust PLC

Factsheet

28 February 2013

## Fund Manager's Review



**Walter Price**

### Portfolio Highlights

The RCM Technology Trust's NAV returned 5.30% in February, which outperformed the benchmark return of 5.01%. During the month, both stock selection and industry allocation had a positive effect on relative performance.

At the stock level, solar electric systems maker, SunPower, was the largest contributor to active returns during the month. Despite somewhat weaker-than-expected quarterly profits released earlier in the month, the company's shares surged on word from industry experts that new securitization vehicles might soon be available that could help finance future solar projects. SunPower's shares have appreciated strongly since the beginning of the year when Warren Buffett's MidAmerican Energy Holdings agreed to purchase two large-scale solar developments from SunPower and contracted the company to build and maintain the projects. LinkedIn was also among the top contributors in February. Shares of the professional networking website surged on a strong quarterly sales and profits that exceeded analysts' expectations as well as healthy growth in its user base. LinkedIn has shown exceptional growth in both advertising and subscription revenues. The company's Hiring Solutions division, which charges recruiters and employers a subscription to help find suitable applicants for open positions, now accounts for 53% of total revenues. Other top contributors included wireless networking solutions provider, Aruba Networks, and our underweight in Apple. Apple's shares have now fallen six months in a row.

On the negative side, Rackspace Hosting was the top individual detractor during the period. The web-based computing systems provider had impressed investors by beating analysts' revenue estimates in each of the last 12 quarters. However, investors were caught off guard as this quarter's sales were light of what analysts were expecting. Still, we remain bullish on the company as we believe its cloud segment should provide superior growth prospects over the long-term. Electric vehicle and powertrain manufacturer, Tesla Motors, was also among the top detractors from relative performance. The company announced a larger-than-expected per share loss in its fiscal 4th quarter earnings release despite strong sales growth. The company highlighted a rise in operating expenses during the quarter, but expects costs to be more under control in forward periods. We are optimistic the company will be able to efficiently ramp-up its production which should translate into attractive profitability metrics over time.

### Market Outlook

Equity markets have reacted positively to improving visibility on a number of the economic and political challenges impacting the global economy over the past few years. We believe the technology sector is especially well-positioned to benefit from additional clarity and further progress on these issues.

Broadly, we think technology companies should benefit from improvement in business technology spending trends over the coming years. U.S. 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.

We acknowledge that risks are still present in the form of uncertainty regarding the full implications of federal spending cuts in the U.S. as well as the potential for stalled policy or economic progress in Europe and Asia. Still, with low valuations and growing yields, many tech 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.

## Performance (%)



## Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	8.8	8.8	5.6	32.1	56.2
NAV	14.4	11.9	5.8	36.7	76.6
Benchmark	9.2	6.1	5.8	30.1	69.6

## Discrete Performance (%)

From To	29.02.08 27.02.09	27.02.09 26.02.10	26.02.10 28.02.11	28.02.11 29.02.12	29.02.12 28.02.13
Share Price	-21.0	49.7	30.3	-3.9	5.6
NAV	-15.3	52.5	33.4	-3.2	5.8
Benchmark	-18.1	59.1	15.1	6.9	5.8

Source: Lipper, percentage growth, mid to mid, total return to 28.02.13.

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.

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## Capital Structure

Total Assets:	£104.8m
Shares in Issue:	25,925,907 (Ordinary 25p)
Ordinary Share Price <sup>1</sup> :	349.4p
Net Asset Value (Ordinary) <sup>2</sup> :	404.1p
Premium/-Discount to NAV <sup>2</sup> :	-13.5%
NAV Frequency	Daily

1. Source: Lipper as at 28.02.13, 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.

All data source Allianz Global Investors as at 28.02.13 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.**

**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: <sup>2</sup>	Yes	
On-going Charges: <sup>1</sup>	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	69.3	
Consumer Services	14.0	
Industrials	7.3	
Consumer Goods	3.8	
Utilities	2.3	
Cash	1.3	
Financials	1.0	
Telecommunications	0.8	
Health Care	0.2	

## Geographic Breakdown (%)

North America	84.9	
Far East & Pacific	6.9	
Europe ex UK	4.1	
UK	2.3	
Cash	1.3	
South America	0.5	

## Top Ten Holdings (%)

Google	6.4	Cree	2.8
Cisco Systems	4.0	Aruba Networks	2.8
SanDisk	3.6	Tesla Motors	2.8
NetSuite	3.2	Amazon	2.6
Salesforce.com	2.9	Western Digital	2.4
<b>Total Number of Holdings</b>	<b>74</b>		

All data source Allianz Global Investors as at 28.02.13 unless otherwise stated.

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