

RCM Technology Trust PLC

Factsheet

31 May 2014

Fund Manager's Review



Walter Price

Portfolio Highlights

The RCM Technology Trust NAV returned 3.82% in May which underperformed the Dow Jones World Technology Index return of 4.88%. During the month, industry allocation drove the underperformance while stock selection decisions were positive.

While companies in the Internet, cloud, and other high-growth segments were spared from the indiscriminant selling pressure that characterised the prior two months, the reprieve was not widespread. Ongoing valuation concerns and company-specific events weighed on the shares of several high-growth companies. Conversely, some cloud and social companies in more mature stages of their development did relatively better during the month.

At the holdings level, our position in eHealth was one of the top detractors from returns during the month. eHealth operates websites that allow consumers to obtain rate quotes and direct comparisons of health insurance plans. Shares were down during the month after the company reported fiscal Q1 results that, at first glance, appeared to show only modest growth in new individual and family plan members. However, a good portion of new applications were sent at the end of the quarter and thus approvals will likely be pushed into Q2. We remain constructive on eHealth over the near-term but did trim our position during the month to reduce risk. Over the longer-term, we think eHealth can grow its top-line considerably on the prospect of higher volumes driven by ACA customers and additional opportunities in the Medicare and employer markets.

Security solutions firm Palo Alto Networks was one of the top contributors during the month. The company's hardware firewall products are able to enforce security policies across an enterprise's network at the application-, user-, and content-level. Shares surged in the latter half of the month ahead of the company's fiscal Q3 earnings release. In its report, Palo Alto beat consensus revenue, operating margins, and cash flow expectations on solid execution against a supportive demand backdrop. Importantly, the company also announced a settlement on a patent litigation case which was a long-standing overhang. In our view, Palo Alto Networks offers a best-in-class product suite in a rapidly growing area of technology.

Though our strategy is primarily comprised of secular growth technology companies, we maintain a portion of the portfolio in more total-return oriented holdings that have attractive valuations but also have company/industry drivers that could help them re-rate. This segment serves as ballast to the higher-growth nature of our core holdings. As intended, this group has done well over the past few months as many of our high-growth names have come under selling pressure.

Other top active contributors included our overweights in animated film producer Dreamworks Animation and DRAM memory maker Micron as well as not holding IBM.

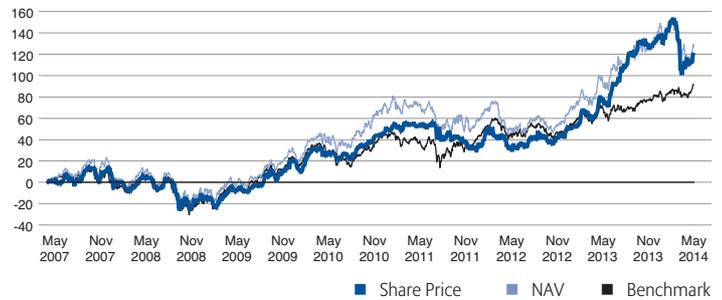
Market Outlook

Looking forward, we continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers. At present, we are seeing a wave of innovation in the sector that we believe has the potential to produce attractive returns for companies with best-in-class solutions. We also see a number of companies whose present valuations that, in our view, do not fully reflect positive company- and/or industry-specific tailwinds.

We are also finding excellent investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on their "as-a-service" offerings.

While the sell-off in Internet and cloud names has been quite abrupt, we have been actively managing the portfolio against this type of rotation and reduce downside risks to our shareholders. We will continue to manage the portfolio carefully balancing risks and opportunities, leveraging our industry expertise, and emphasizing individual stock selection.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-11.7	-3.6	23.7	45.1	139.7
NAV	-8.6	0.2	15.6	30.1	127.8
Benchmark	3.2	7.7	11.9	37.3	107.1

Discrete Performance (%)

From To	29.05.09 31.05.10	31.05.10 31.05.11	31.05.11 31.05.12	31.05.12 31.05.13	31.05.13 30.05.14
Share Price	36.3	21.2	-13.0	34.8	23.7
NAV	42.9	22.5	-13.3	29.7	15.6
Benchmark	39.7	8.0	5.0	16.8	11.9

Source: Lipper, percentage growth, mid to mid, total return to 31.05.14.

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 31.05.14 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:	£133.5m
Shares in Issue:	25,768,006 (Ordinary 25p)
Ordinary Share Price ¹ :	498.5p
Net Asset Value (Ordinary) ² :	518.2p
Premium/-Discount to NAV ² :	-3.8%
NAV Frequency	Daily

1. Source: Lipper as at 31.05.14, 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
Ongoing 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:	Robert Jeens (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). Ongoing 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.

Derivatives can be used to manage the Trust efficiently.

Sector Breakdown (%)

Technology	69.3
Consumer Services	10.2
Utilities	7.0
Consumer Goods	5.0
Industrials	4.6
Cash	1.7
Financials	1.7
Basic Materials	0.5

Geographic Breakdown (%)

North America	84.4
Far East & Pacific	6.9
Europe ex UK	6.8
Cash	1.7
UK	0.2

Top Ten Holdings (%)

Apple	7.6	ServiceNow	4.0
Palo Alto Networks	4.7	Tesla Motors	3.3
SanDisk	4.6	Facebook	3.2
SunPower	4.5	Western Digital	3.1
Microsoft	4.1	Micron Technology	2.7
Total Number of Holdings	69		

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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website: www.rcmtechnologytrust.co.uk

All data source Allianz Global Investors as at 31.05.14 unless otherwise stated.

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