

28 February 2011

## Aim

The Trust's objective is to achieve long-term capital growth by investing principally in the equity securities of quoted technology companies on a worldwide basis with the aim of achieving long-term capital growth.

## 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.

## 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 trust's assets from April 2007. The decision was based on the performance of RCM's US-based technology team, their experience and RCM's depth of expertise in the management of investment trusts.

## Fund Manager's Review



Walter Price

RCM Technology Trust (+2.67% NAV, capital only) outperformed its benchmark (-0.60%) by over 3% during the month of February. Both stock selection and industry allocation were positive, with stock selection particularly important as we outperformed in all of the technology subsectors.

In our January comments we highlighted weakness in several cloud computing and communications stocks, however, in February most of these stocks had significant rebounds as reported results were largely better than expected. Stocks such

as Riverbed, Acme Packet, and Adtran each increased more than 10% for the month, and within the communications sector the portfolio outperformed by 12%. We were also helped by a large underweight in Cisco Systems. The other source of strength for the month was our software holdings as Tibco, Successfactors, and Citrix continued to benefit from their exposure to cloud computing.

On the negative side, we saw pressure on large holdings such as Netflix, Salesforce.com, and Longtop as these were mentioned in negative press articles as being overvalued or, in the latter case, using subsidiaries to hide costs. We continue to like these three stocks, but understand that they may remain under pressure until they demonstrate that their strong cash flow results can continue.

We continue to expect solid growth in the technology space in 2011. We are encouraged by the record levels of cash at tech companies and decent liquidity in other industries, which supports a steady acquisition environment and continued investment in productivity. Business strength seems to be broadening and more of our potential investments are doing well. At the same time, there is a looming fight over the US deficit, and the price of oil is surging over concerns of turmoil in the Middle East. As a result, we expect continued volatility in the sector, but as long as

## Key Information

<b>Total Assets:</b>	£89.4m
<b>No. of Ordinary Shares:</b>	22,658,090
<b>No. of Subscription Shares<sup>2</sup>:</b>	4,720,287
<b>Ordinary Share Price<sup>1</sup>:</b>	344.5p
<b>Net Asset Value (Ordinary)<sup>3</sup>:</b>	394.5p
<b>Premium/-Discount to NAV<sup>3</sup>:</b>	-12.7%
<b>Subscription Share Price<sup>1,2</sup>:</b>	87.0p
<b>No. of Holdings:</b>	64

All data source RCM (UK) Limited as at 28.02.11 unless otherwise stated.

<b>Launch Date:</b>	December 1995
<b>Continuation Vote:</b>	2011
<b>AIC Sector:</b>	Specialist Sector: Technology, Media & Telecoms
<b>Benchmark:</b>	Dow Jones World Technology Index (Sterling Adjusted)
<b>Year end:</b>	30 November
<b>Annual Financial Report:</b>	Final posted in March, Half-yearly posted in July
<b>AGM:</b>	April
<b>Price Information:</b>	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
<b>Board of Directors:</b>	David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway, Dr Chris Martin
<b>Investment Manager:</b>	Walter Price CFA, Managing Director, Senior Analyst, RCM A company of Allianz Global Investors
<b>Investor Services:</b>	020 7065 1407

<sup>1</sup>Source: Lipper as at 28.02.11, market close mid price.

<sup>2</sup>Please refer to Subscription Shares section on page 2

<sup>3</sup>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, cum-income NAV is shown.

## (Cont.)

business confidence stays good, investment in cost cutting and productivity should stay strong.

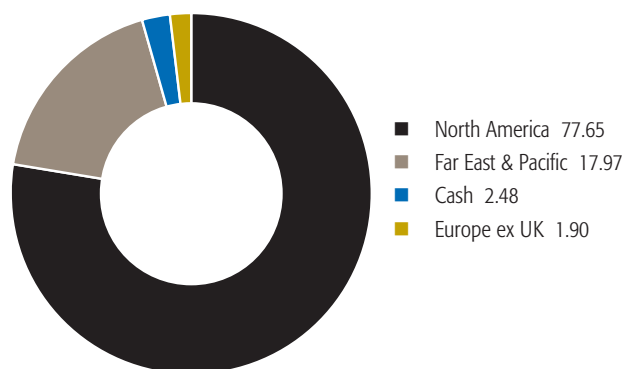
Going forward, we will be sensitive to valuation and market expectations. We fear many market participants may face difficult realisations both on the macro-economic and company fundamental front. At the same time, the positive secular shifts we have benefitted from over the past months seem likely to continue, and we hope to generate good long term gains for our investors.

RCM (UK) Limited, 155 Bishopsgate, London EC2M 3AD

## Top Ten Holdings (%)

Name	%
Apple	4.0
Amazon	3.6
First Solar	3.1
Baidu.com	3.1
Riverbed Technology	3.0
SunPower	3.0
Sina	2.8
Successfactors	2.7
Salesforce.com	2.7
Citrix Systems	2.7
<b>Total</b>	<b>30.7</b>

## Geographic Breakdown (%)



Changes in rates of exchange may cause the value of investments and the income from them to go down or up.

## 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.

RIC: RTT      SEDOL: 0339072      ISIN: GB0003390720

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 [www.rcm.com/investmenttrusts](http://www.rcm.com/investmenttrusts) or from the AIC at [www.theaic.co.uk](http://www.theaic.co.uk)

Please note: Our Investment Trust Savings Plan was closed and transferred to Alliance Trust Savings on 29 February 2008. Alliance Trust can be contacted on 01382 573 737 or [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

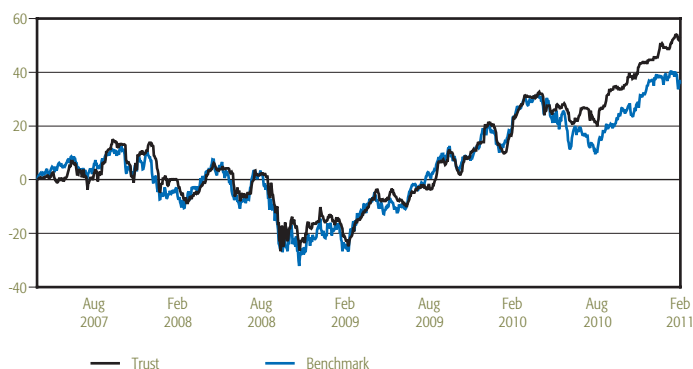
## RCM Advantage

RCM and its predecessors have been managing investment trusts since 1889, providing investors with access to investment markets around the world through professionally managed portfolios. Each trust benefits from the expertise of the RCM fund managers yet, as a company listed on the London Stock Exchange, it is independent and is overseen by its own Board of Directors.

RCM is the global equity specialist within Allianz Global Investors. With offices strategically located in the US, Europe and Asia, RCM uses its global research platform to search out investment opportunities.

## Performance

### Trust Performance Since 1 May 2007 (%)



### Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	7.82	27.71	30.25	53.97	-
Benchmark	7.00	23.40	13.77	44.49	-

### Standardised Past Performance (%)

From	30.12.05	29.12.06	31.12.07	31.12.08	31.12.09
To	29.12.06	31.12.07	31.12.08	31.12.09	31.12.10
Share Price	-6.68	22.20	-25.78	41.58	21.75

Source: Lipper, percentage growth, mid to mid, capital return, to 28.02.11

Benchmark: Dow Jones Global Technology Index (Sterling Adjusted)

Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers.

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.

**RCM were appointed managers of this Trust on 30th April 2007.**

## Subscription Shares

Following the approval of special resolutions at an extraordinary general meeting in August 2007, 4,770,568 RCM Technology Trust Subscription Shares have been listed. Qualifying shareholders received one Subscription Share for every five Ordinary Shares held by them on 17.08.07. These are qualifying investments for stocks and shares ISAs. Each Subscription Share is capable of conversion, on notification to the Company in the thirty days preceding the annual general meeting in any of the years 2008 to 2012 (inclusive), into one Ordinary Share on the date of the relevant annual general meeting. The Conversion Price of the Subscription Shares will be 267p, which represented a 10% premium to the Net Asset Value per Share (calculated on an undiluted basis and in accordance with the basis set out in the prospectus dated 18.07.07) as at the close of business on 14.08.07.

All data source RCM (UK) Limited as at 28.02.11 unless otherwise stated.

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