

RCM Technology Trust PLC

Key Information

Total Assets*	£57.8m
Gearing† (net)	nil
No. of Shares† (Ordinary 5p)	23,933,812
Net asset value†	240.7p
Premium/-discount to NAV†	-4.6%
Share price*	229p
AIC Sector	Tech Media & Telecomm
RIC	RTT
Year end	30th November
Report and Accounts	Final posted in March, Interim posted in July
AGM	April
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

† Source: Allianz Global Investors as at 31.05.07

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 31.05.07

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 Managers' Review

As anticipated, the market began to broaden beyond the deal stocks and the mega cap stocks into more of our higher growth companies. The Trust benefited from strong gains from many of our global holdings, including Nintendo and Tencent Holdings. U.S. stocks that performed well included Apple, Autodesk, and Salesforce. Performance was hurt by our semiconductor positions, including Analog Devices, Chartered Semiconductors, and by Cognizant, where the strength of the rupee concerns investors. Solar stocks also detracted from performance, primarily due to SunPower Corp.



Walter Price

We believe that confidence in U.S. economic growth is increasing and the March pause in corporate spending is complete. Thus, we think growth stocks will increase in popularity as the economy looks to improve in 2008 and valuations have compressed to all time price/earnings growth ratio lows. It seems unlikely that valuations will go much lower, and we should get the benefit of good earnings growth. Meanwhile, the spread between earnings yields and bond yields has put an acquisition floor under valuations, and companies are also using their cash for acquisitions or to buy their own stock back more aggressively. We remain optimistic about the rest of the year and continue to find many attractive ideas

Top 10 holdings

Name	%
Apple	5.2
Nintendo	5.1
Intel	4.9
Google	4.5
NII	4.1
Microsoft	4.0
Cisco Systems	3.8
Nvidia	3.7
Qualcomm	3.6
Tencent	2.9
TOTAL	41.8

Source: Allianz Global Investors as at 31.05.07. 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.