

RCM Technology Trust PLC

Factsheet

31 August 2013

Fund Manager's Review



Walter Price

Portfolio Highlights

The Trust's NAV fell by 2.0% in August, against a fall of 1.85% for the benchmark. Stock selection was positive while industry allocation decisions had a negative effect on relative performance.

Tesla Motors was again among the top contributors and its shares closed the month at an all-time high and the company's market cap surpassed the \$20 billion mark. The company reported solid margin growth for the quarter ended in June and indicated it would be able to meet its 25% gross margin targets by the end of the year. It also reiterated its medium term global demand and production targets. We see a number of catalysts for the company's shares that we believe could help drive further upside such as expansion into Asia and Europe, new store openings, and introduction of new models including an SUV and mass market electric vehicle.

Social networking website operator Facebook continued its momentum in August. Shares surged on reports indicating the company's efforts on mobile are driving increases in user engagement and marketers are taking notice. According to comScore, minutes on Facebook per unique view spent on mobile devices nearly doubled over the year-ago period in July. As a result, marketers have shifted ad dollars toward Facebook's solutions which helped the company grow its share of the mobile ad market from 5.35% in 2012 (Facebook's first year of mobile ad monetization) to 15.80% in 2013, according to eMarketer.

On the negative side, solar energy systems manufacturer SunPower pared gains made in the previous month. Year-to-date to the end of August, the company's share price has nearly tripled and has vastly outperformed the NYSE Bloomberg Solar Index. Shares pulled back due in part to management commentary that indicated the company is running at full utilisation and might look to add capacity. However, we are optimistic that SunPower will be able to efficiently add supply in a manner consistent with the demand for its panels which are among the most efficient in the industry.

LED lighting products manufacturer Cree was also among the leading detractors. The company's in-line quarterly sales and profit figures and below-consensus revenues guidance for the next quarter was a disappointment for investors. We continue to believe Cree is a great long-term investment driven by secular growth in the LED lighting industry. At present, LED lights are at about 8% penetration and could reach up to 50% penetration as soon as 2015 according to McKinsey. We believe the case to switch from inefficient incandescent lighting is compelling, the market potential is enormous, and that Cree is the leading innovator in this space.

Other top detractors in August included our overweight in medical imaging software solutions provider Merge Healthcare and underweights in tech giants Apple and Microsoft.

Market Outlook

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

In addition, we think there are certain secular growth areas within technology that should gain further momentum especially in a more pro-investment environment. These are companies we believe will demonstrate above-sector growth through the introduction of a differentiated technology or through experiencing robust business momentum. Currently, we have positioned the portfolio to benefit from areas of secular growth such as cloud computing, communications infrastructure upgrades, and applications on smartphones and other mobile devices.

Performance (%)



Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	16.2	34.0	45.9	73.6	102.9
NAV	6.3	17.9	31.8	55.4	93.0
Benchmark	-1.7	4.3	10.6	46.1	61.9

Discrete Performance (%)

From To	29.08.08 31.08.09	31.08.09 31.08.10	31.08.10 31.08.11	31.08.11 31.08.12	31.08.12 30.08.13
Share Price	-4.4	22.3	19.2	-0.2	45.9
NAV	-0.7	25.1	15.2	2.4	31.8
Benchmark	1.6	9.1	10.0	20.1	10.6

Source: Lipper, percentage growth, mid to mid, total return to 31.08.13.

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 31.08.13 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

Capital Structure

Total Assets:	£120.7m
Shares in Issue:	25,349,941 (Ordinary 25p)
Ordinary Share Price ¹ :	468.3p
Net Asset Value (Ordinary) ² :	476.3p
Premium/-Discount to NAV ² :	-1.7%
NAV Frequency	Daily

1. Source: Lipper as at 31.08.13, 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.

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: ²	Yes
On-going Charges: ¹	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, Robert Jeens, 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.

Sector Breakdown (%)

Technology	63.7	
Consumer Services	19.0	
Industrials	7.3	
Consumer Goods	5.5	
Utilities	3.6	
Financials	2.4	
Telecommunications	0.3	
Health Care	0.2	
Cash	-2.0	

Geographic Breakdown (%)

North America	77.4	
Far East & Pacific	15.7	
Europe ex UK	6.4	
UK	2.4	
South America	0.1	
Cash	-2.0	

Top Ten Holdings (%)

Google	5.5	Aruba Networks	2.8
Facebook	4.9	Micron Technology	2.8
Tesla Motors	4.5	Western Digital	2.6
SunPower	3.4	Pandora Media	2.5
Amazon	2.9	Alcatel-Lucent	2.1
Total Number of Holdings	86		

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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All data source Allianz Global Investors as at 31.08.13 unless otherwise stated.

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