

RCM Technology Trust PLC

Factsheet

30 September 2013

Fund Manager's Review



Walter Price

Portfolio Highlights

The Trust's NAV rose by 5.55% in September, outperforming the benchmark which fell by 0.52%. Both stock selection and industry allocation decisions had a positive effect.

Internet holding Pandora was the top contributor. The company operates the leading online radio service with over 72 million users and its shares surged over the month on the appointment of a new CEO with extensive experience in both technology and digital advertising. Advertising accounts for a significant portion of Pandora's overall revenues and is crucial to the company's success. Pandora has already captured 7.5% of total U.S. radio listening but holds just a fraction of a percent of the \$15 billion spent on ads on terrestrial radio. We see great long-term opportunities for Pandora as ad dollars flow toward the service's listeners. In the meantime, we have taken note of the increasingly competitive Internet radio market and uncertainty surrounding licensing costs.

French-based communication equipment maker Alcatel-Lucent's shares rose over the month on speculation that Nokia OYJ might be interested in a linkup or perhaps purchasing Alcatel's wireless assets. Early in the month, Nokia was left with an additional \$7.2 billion after the sale of its mobile handset business to Microsoft. The combination surfaced as a mutually beneficial proposition given Alcatel management's intention to raise cash and reduce costs and Nokia's deficiencies in the US market.

On the negative side, security solutions provider Gemalto was among the top detractors in September. The Netherlands-based company makes software and systems that enable secure electronic payments and identification. The company's shares took a hit after the Apple iPhone launch event revealed the new devices would not include a near field communication (NFC) chip – the key to the concept of turning your phone into your wallet. It had been speculated that the new phones might include this technology which would be a big boost for Gemalto.

Market Outlook

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

We also think consolidation of suppliers in several key components areas such as memory and disk drives will allow the survivors to increase their returns on a secular basis, and that earnings will be much higher than expected by investors who view those products as "commodities with low margins." We believe stocks in those sectors have the potential to be rerated from their presently very low multiples of earnings.

We acknowledge that risks are still present in the form of uncertainty regarding the full implications of federal spending cuts in the US 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	22.8	31.6	54.9	63.4	149.2
NAV	10.8	21.9	38.0	48.6	131.7
Benchmark	2.0	2.4	9.6	32.5	85.7

Discrete Performance (%)

From To	30.09.08 30.09.09	30.09.09 30.09.10	30.09.10 30.09.11	30.09.11 28.09.12	28.09.12 30.09.13
Share Price	22.8	24.2	7.5	-1.9	54.9
NAV	22.8	27.0	-0.5	8.2	38.0
Benchmark	25.7	11.4	0.1	20.8	9.6

Source: Lipper, percentage growth, mid to mid, total return to 30.09.13.

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 30.09.13 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:	£127.4m
Shares in Issue:	25,349,941 (Ordinary 25p)
Ordinary Share Price ¹ :	491.0p
Net Asset Value (Ordinary) ² :	502.8p
Premium/-Discount to NAV ² :	-2.3%
NAV Frequency	Daily

1. Source: Lipper as at 30.09.13, 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	61.3	
Consumer Services	20.3	
Industrials	7.4	
Consumer Goods	5.6	
Utilities	3.9	
Financials	2.9	
Telecommunications	0.5	
Health Care	0.1	
Cash	-2.0	

Geographic Breakdown (%)

North America	76.1	
Far East & Pacific	16.3	
Europe ex UK	6.3	
UK	2.6	
South America	0.7	
Cash	-2.0	

Top Ten Holdings (%)

Facebook	5.4	Pandora Media	3.0
Tesla Motors	4.6	Amazon	2.8
SunPower	3.7	Alcatel-Lucent	2.6
Micron Technology	3.3	Aruba Networks	2.6
Google	3.2	Soufun Holdings	2.1
Total Number of Holdings	87		

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 30.09.13 unless otherwise stated.

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