

31 January 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

The Trust's NAV returned 1.77% slightly outperforming its benchmark which returned 1.36%. On the positive side, we had a rebound in our Chinese holdings, Baidu and Sina, as well as in Netflix, which has been quite controversial. Netflix hit a significant milestone of 20 million US subscribers in December. Markets were volatile in January however as year-end earnings season unfolded and we saw some weakness in several holdings including: F5 Networks, Riverbed Technology, Salesforce.com, and Cree. The first three stocks were strong contributors for the Trust in 2010, playing into our constructive theme around cloud computing. F5 reported a somewhat disappointing quarter. Fiscal Q1 revenue rose 41% versus the year ago period, just slightly missing the estimates of 42%, and earnings surpassed forecasts by approximately \$0.05. However, following on the strength from 2010, F5's muted outlook could not sustain the company's premium. We believe the company is seeing a peak in market share gains over Cisco Systems, which now has little exposure to the target sub-market. With limited ability to continue its historic share gains, F5 is facing maturation of its growth trajectory. Other cloud computing companies, Riverbed and Salesforce declined in sympathy to the F5 earnings release. However, we believe these companies have very different competitive drivers. As such, we have maintained positions in Riverbed and Salesforce, while selling F5. Cree declined in January as the company faced margin pressure in its LED chip business. We believe this pressure could sustain for the near-term and we have reduced positions. We have also started to trim our position in Apple, taking profits as we are concerned that the news of Steve Jobs' health is not fully discounted in the stock price. Business is very strong at Apple though and 2011 looks like it will be "the year of the tablet computer."

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. On the other hand, we worry that expectations for many companies may

Key Information

Total Assets:	£86.8m
No. of Ordinary Shares:	22,658,090
No. of Subscription Shares²:	4,720,287
Ordinary Share Price¹:	334.5p
Net Asset Value (Ordinary)³:	383.2p
Premium/-Discount to NAV³:	-12.7%
Subscription Share Price^{1,2}:	83.0p
No. of Holdings:	62

All data source RCM (UK) Limited as at 31.01.11 unless otherwise stated.

Launch Date:	December 1995
Continuation Vote:	2011
AIC Sector:	Specialist Sector: Technology, Media & Telecoms
Benchmark:	Dow Jones World Technology Index (Sterling Adjusted)
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.rcm.com/investmenttrusts
Board of Directors:	David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway, Dr Chris Martin
Investment Manager:	Walter Price CFA, Managing Director, Senior Analyst, RCM A company of Allianz Global Investors
Investor Services:	020 7065 1407

¹Source: Lipper as at 31.01.11, market close mid price.

²Please refer to Subscription Shares section on page 2

³A 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.

Fund Manager's Review (cont.)

have grown too high. For example, a barrage of tablet computers were launched at the Consumer Electronics Show in Las Vegas in January, but we fear many of these tablets will prove unsuccessful. Meanwhile we are identifying a very negative impact from these tablets on notebook PC demand, and we think the PC industry may have a difficult year relative to forecast. Going forward, we will be sensitive to valuation and market expectations. We fear many market participants may face difficult realizations 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.

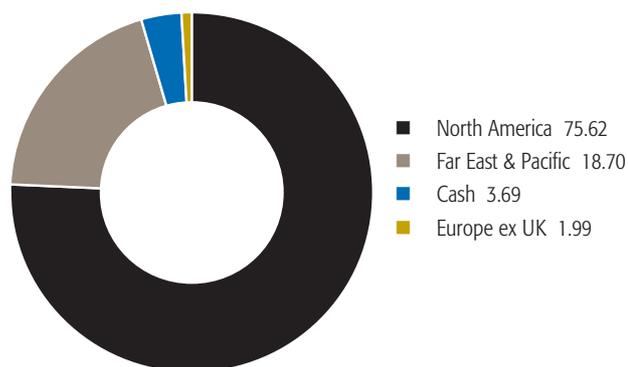
RCM (UK) Limited, 155 Bishopsgate, London EC2M 3AD

A company of **Allianz** 
Global Investors

Top Ten Holdings (%)

Name	%
Apple	4.0
Amazon	3.7
Riverbed Technology	3.7
First Solar	3.4
Sina	3.0
Broadcom	3.0
Baidu.com	2.9
Cisco Systems	2.8
Ctrip.com	2.8
Salesforce.com	2.7
Total	32.0

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 or from the AIC at 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

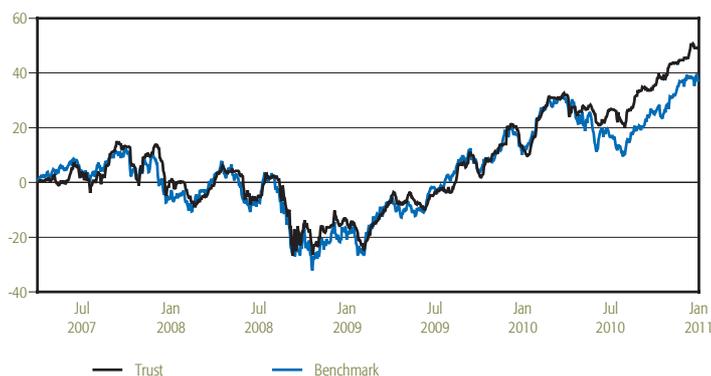
RCM Advantage

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	10.03	17.37	31.18	48.67	-
Benchmark	9.43	17.55	24.26	43.35	-

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 31.01.11
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 31.01.11 unless otherwise stated.

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