

RCM Technology Trust PLC

Key Information	
Total Assets	£59.6m
Gearing[†] (net)	nil
No. of Shares[†] (Ordinary 5p)	23,860,312
Net asset value[†]	249.6p
Share price*(Ordinary Shares)	230.5p
Share price**(Subscription Shares)	37.5p
AIC Sector	Tech Media & Telecomm
RIC	RTT
Year end	30th November
Reports and Accounts	Final posted in March, Interim posted in July
AGM	April
Dividends	None
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
Brochure request	0800 317 573

† Source: Allianz Global Investors as at 31.08.07

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 31.08.07

** 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 the 17.08.07. These are qualifying investments for existing PEPs and the stocks and shares component of an ISA. 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.

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 Manager's Review



Walter Price

After a period of strong relative performance, the Fund lagged the Dow Jones World Technology Index in the month of August as the rebound in technology stocks was selective, favouring the large technology stocks. We are underweighted in these stocks, and thus we underperformed in this month. We have seen this same pattern several times in the last 18 months after a market correction, and we are hopeful that the market strength will again spread to the higher growth mid cap companies that we favour in the Fund.

Investors sold risk not only in the credit markets but also in the tech market, and sectors such as solar and foreign stocks were down for the month. This is ironic, since the economies in Asia and the solar market are particularly strong at this time. Two members of our team have travelled to Asia recently, and they report that the technology and advertising business in China is actually accelerating at this time and that the recovery in technology builds in Taiwan is better than expected. The solar market will grow over 50% this year, and projections have been raised for next year as well. Although there is uncertainty about the future demand for some tech companies, we have seen limited evidence of any cutbacks in spending as many of these investments are for cost cutting initiatives.

At the same time, we have seen continued strength in such products as smart phones, game consoles, network spending, and spending on virtualization. We have trimmed some stocks in the solar sector and the semiconductor sector since there is leverage to a slower economy or higher rates for projects and have added to stocks in China.

Uncertainty about the economy is again a major concern for investors, and there do seem to be some signs that some companies are seeing a moderate impact on their business as budgets are tightening in some sectors, particularly financial services. We are hopeful that interest rate reductions and liquidity increases will moderate these negative effects and allow the economy to avoid a recession in 2008. In a period of modest growth for the economy, technology stocks tend to do well, because they are able to grow at a faster rate than most companies. Valuations are still quite attractive as well, so we are hopeful that the recent trends of good technology stock performance will continue.

Standardised Past Performance					
From to	28/06/2002 30/06/2003	30/06/2003 30/06/2004	30/06/2004 30/06/2005	30/06/2005 30/06/2006	30/06/2006 29/06/2007
Share Price	-10.2%	13.8%	11.1%	1.7%	8.1%

Source: Allianz Global Investors/Lipper Hindsight. Discrete years, mid to mid, basic rate tax, based in UK sterling. Standardised past performance figures comply with the Financial Services Authority's regulations to enable investors to compare different products from different providers. Please note that RCM (UK) Ltd only assumed management of this Trust from end of April 2007.

Top 10 holdings

Name	%
Intel	5.0
Nintendo	4.9
Nvidia	4.6
NII	3.7
Google	3.4
Sandisk	3.0
Foundry	2.9
EMC	2.9
McAfee	2.8
Tencent	2.8
Total	36.0

Source: Allianz Global Investors as at 31.08.07. 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. 73,500 shares have been repurchased for cancellation since RCM assumed management of the Company, and no shares are currently held in treasury.