

## RCM Technology Trust PLC

Key Information	
<b>Total Assets</b>	£59.6m
<b>Gearing<sup>†</sup> (net)</b>	nil
<b>No. of Shares<sup>†</sup> (Ordinary 5p)</b>	23,860,312
<b>Net asset value<sup>†</sup></b>	247.2p
<b>Premium/-discount to NAV<sup>†</sup></b>	-5.3%
<b>Share price*</b>	234p
<b>AIC Sector</b>	Tech Media & Telecomm
<b>RIC</b>	RTT
<b>Year end</b>	30th November
<b>Reports and Accounts</b>	Final posted in March, Interim posted in July
<b>AGM</b>	April
<b>Dividends</b>	None
<b>Price Information</b>	Financial Times and The Daily Telegraph
<b>Board of Directors</b>	David Quysner (Chairman), John Cornish FCA, Paul Gaunt, Anthony Townsend, Dr Chris Martin, Richard Holway
<b>Investor services</b>	020 7065 1407
<b>Brochure request</b>	0800 317 573

### 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

The RCM Technology Trust returned 2.9% in July, outperforming the Dow Jones World Technology Index (sterling adjusted) of -1.5%. Many of our Asian holdings contributed to these strong relative returns. These names included Nintendo, Ten Cent, and Baidu. Solar and communication stocks also helped performance, partially in response to better than expected quarterly earnings at Sun Power and Juniper.

Recently we have increased our weighting in data communication stocks, specifically our holdings in Cisco, Foundry, Juniper and Riverbed. We believe the continued growth of video delivered over the internet will spur increased investment in data focused networks. At the same time, we have sold out of our position in Alcatel Lucent, which seem to have difficulty managing the transition to these networks.

Several of our holdings had difficulty executing in this uneven economy, and we reduced positions in such companies as Chartered Semi, Level 3, Network Appliance, and Converse. Currently we seem to have more good ideas than we have cash, so we are being a little less patient with some holdings which are not performing.

As some forecasts have predicted the beginning of a recession following the recent liquidity concerns in parts of the credit market, we have entered into a critical period of 2007. There are certainly more concerns about some sectors of the economy than we expected, particularly the housing and finance sectors, and we are watching closely to make sure that this weakness does not become more widespread. Although recent sub-prime concerns will reduce the availability of consumer credit and cause the US economy to slow, our central expectation is that the US will avoid a recession. Elsewhere in the world, economic growth looks more robust.

At this point demand for most technology products remains good, and we are hopeful that demand will continue to be stable during the critical fourth quarter. If we are correct, the valuation compression we have experienced over the last three years could moderate and tech stocks could do well.

† Source: Allianz Global Investors as at 31.07.07

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 31.07.07

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
<b>Share Price</b>	<b>-10.2%</b>	<b>13.8%</b>	<b>11.1%</b>	<b>1.7%</b>	<b>8.1%</b>

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	%
Nintendo	5.4
Intel	4.6
Google	4.5
Nvidia	4.2
NII	4.0
Sandisk	3.0
EMC	2.9
Foundry	2.9
Tencent	2.5
ABB	2.4
<b>Total</b>	<b>36.4</b>

Source: Allianz Global Investors as at 31.07.07. 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.