

# RCM Technology Trust PLC

investors  
CHRONICLE  
Top 100 Funds 2013  
RCM Technology Trust PLC

Factsheet

30 June 2014

## 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.

## History

The Trust was formed in December 1995 and re-launched by Allianz Global Investors in 2007 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 (RCM is part of Allianz Global Investors, a global asset management business) to manage the Trust's assets from April 2007 based on the performance of their US-based technology team, their experience and depth of expertise in the management of investment trusts.

## Fund Manager's Review



Walter Price

### Portfolio Overview

The RCM Technology Trust's NAV returned 4%, which outperformed the Dow Jones World Technology Index return of 0.97%. During the month, stock selection drove the outperformance while industry allocation decisions also contributed. At the holdings level, our position in ServiceNow was one of the top contributors. ServiceNow provides cloud-based software solutions that automate and optimize corporate IT systems. Shares rebounded strongly in June as the sentiment-driven selling pressures that weighed on the stock over the prior few months subsided. Electric vehicle maker, Tesla Motors, was also among the top contributors in June. Similar to ServiceNow, shares benefitted from a reduction in the negative sentiment impacting high-valuation stocks in the technology space. In addition, the company made two announcements during the month which gained some attention. Other top active contributors included our overweights in solar power systems maker SunPower, security solutions firm Palo Alto Networks, and not holding Samsung Electronics. On the negative side, telecom equipment maker Alcatel-Lucent was one of the top detractors during the month. The company's shares have more than doubled but have pulled-back slightly so far in 2014.

### Market Outlook

Looking forward, we continue to believe the technology sector can provide some of the best absolute and relative return opportunities in the equity markets – especially for bottom-up stock pickers. At present, we are seeing a wave of innovation in the sector that we believe has the potential to produce attractive returns for companies with best-in-class solutions. We also see a number of companies whose present valuations that, in our view, do not fully reflect positive company- and/or industry-specific tailwinds. We agree that the valuations on many cloud and Internet companies had become too lofty. In this sense, we think the pull-back is a healthy way of purging some of the speculative excesses that built up in the markets more recently. We are also finding excellent investment opportunities among more attractively valued areas of technology. In particular, certain technology incumbents are making compelling progress on their "as-a-service" offerings. Additionally, components makers in the hard disk drive and memory spaces, previously thought to be casualties of languishing PC sales, are finding good demand from the expansion in data centers needed to store data and deliver cloud services and more stable profitability profiles through industry consolidation. We think these companies could see significant re-ratings on their price multiples. While the sell-off in Internet and cloud names appears to have subsided for the most part, we will continue to carefully balance risks and opportunities, leveraging our industry expertise, and emphasizing individual stock selection.

## Performance (%)



## Cumulative Performance (%)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Price	-3.4	-3.4	26.6	48.0	143.4
NAV	0.3	0.5	18.8	37.5	138.6
Benchmark	4.1	6.2	17.9	39.9	108.1

## Discrete Performance (%)

From To	30.06.09 30.06.10	30.06.10 30.06.11	30.06.11 29.06.12	29.06.12 28.06.13	28.06.13 30.06.14
Share Price	35.1	21.7	-12.4	33.6	26.6
NAV	32.7	30.8	-10.9	29.9	18.8
Benchmark	27.6	16.6	6.4	11.5	17.9

Source: Lipper, percentage growth, mid to mid, total return to 30.06.14.

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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All data source Allianz Global Investors as at 30.06.14 unless otherwise stated.

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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:	£138.9m
Shares in Issue:	25,768,006 (Ordinary 25p)
Ordinary Share Price <sup>1</sup> :	506.3p
Net Asset Value (Ordinary) <sup>2</sup> :	539.0p
Premium/-Discount to NAV <sup>2</sup> :	-6.1%
NAV Frequency	Daily

1. Source: Lipper as at 30.06.14, 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:	0.8% plus £55,000 p.a. (Administration Fee)
Performance Fee: <sup>2</sup>	Yes
Ongoing Charges: <sup>1</sup>	1.32%
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:	Robert Jeens (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway MBE, 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 (30.11.2013). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses including Annual Management Fee.

2. Calculated as 12.5% of the outperformance of the NAV compared to the indexed NAV over the performance period. The fee is capped at a maximum of 2.25% of the Trust's NAV at the year-end.

## 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.

Derivatives can be used to manage the Trust efficiently.

## Sector Breakdown (%)

Technology	69.4
Consumer Services	8.7
Utilities	6.6
Consumer Goods	6.3
Industrials	4.3
Cash	3.0
Financials	1.7

## Geographic Breakdown (%)

North America	83.2
Far East & Pacific	7.5
Europe ex UK	6.1
Cash	3.0
UK	0.2

## Top Ten Holdings (%)

Apple	7.4	Microsoft	4.0
Palo Alto Networks	4.9	Tesla Motors	3.6
SanDisk	4.7	Facebook	3.2
ServiceNow	4.5	Western Digital	3.1
SunPower	4.1	Micron Technology	3.0
<b>Total Number of Holdings</b>	<b>68</b>		

## 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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