

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 technology market continued the positive trend that resumed in mid November with a solid gain in December. However, after the end of November, we saw many forecasters talk about a correction in the first quarter of 2011. In anticipation of this event, we saw significant selling in many of our winning names for 2010. The Trust's NAV underperformed its benchmark, the DJTM W. Tech S-TR Index (E), by about 3.9% for the month, rising 2.5% vs the index's 6.4%. We saw weakness in holdings such as Netflix, Successfactors, Netease, and Baidu, while there was strength in such stocks as Oracle, which had a positive earnings surprise, and Microsoft, which we did not own. Weakness in the Chinese stocks was due to concerns over further tightening of credit in China in response to high inflation numbers. In general, many of the larger technology company stocks played catch up as investors moved assets toward them as uncertainty about 2011 grew.

As we enter 2011, we trimmed many of our cloud computing holdings on valuation grounds and we have increased our semiconductor exposure as those stocks are now cheap. Although we expect a down quarter for that industry until the second quarter of 2011, we think many of the companies will recover after the downturn. We particularly favour stocks that sell into energy efficiency markets such as LED lighting and auto electronics. In China, we have kept Baidu and added Sina as holdings, as the ecommerce market is really taking off in there. However, we have sold Asia Info as the strong telco investment cycle seems to have ended. The Chinese banking investment cycle continues, so we have added to Longtop during its weakness.

As we think about 2011, we are encouraged that there is a record level of cash held by technology companies and that other industries have decent liquidity so that two trends can continue: steady acquisitions of technology companies and continued investment in products that save companies money. So we expect continued growth in technology spending in 2011. Conversely, we worry that expectations for many companies may be too high, as the negative impact of several trends are

Key Information

Total Assets:	£85.1m
No. of Ordinary Shares:	22,658,090
No. of Subscription Shares²:	4,720,287
Ordinary Share Price¹:	319.5p
Net Asset Value (Ordinary)³:	375.4p
Premium/-Discount to NAV³:	-14.9%
Subscription Share Price^{1,2}:	55.0p
No. of Holdings:	65

All data source RCM (UK) Limited as at 31.12.10 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 31.12.10, 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.

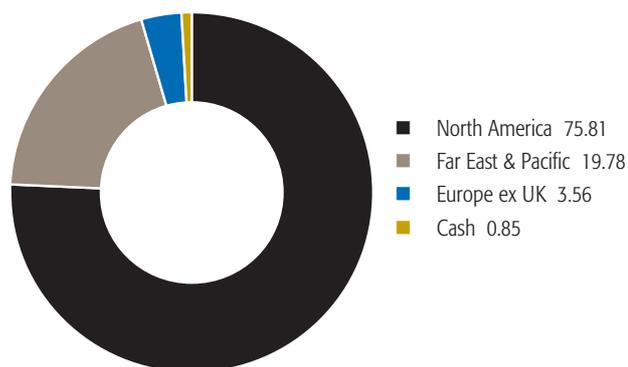
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looming. For example, there have been 130 tablet computers announced at the Consumer spending on electronics seems more selective and cautious, and ecommerce is starting to have a very negative effect on traditional retailers. Finally, the US is only beginning to address its deficit issues and as that process unfolds, perhaps the concern of a recession will again return, this time for 2012. So as we think about 2011, we will be sensitive to valuation and expectations. At the same time, the positive secular shifts we have invested in seem likely to continue, and we hope to generate good long term gains for our investors.

Top Ten Holdings (%)

Name	%
Riverbed Technology	6.1
Apple	4.0
Cree	3.9
Salesforce.com	3.6
Sina	3.6
Amazon	3.3
Google	3.3
First Solar	3.0
Longtop Financial Technologies	2.8
Cisco Systems	2.8
Total	36.4

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

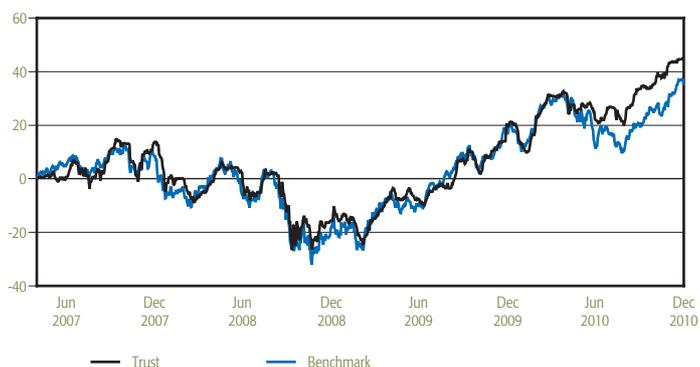
RCM Advantage

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	8.99	16.55	21.75	27.93	-
Benchmark	11.93	18.65	15.37	24.68	-

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 31.12.10

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 31.12.10 unless otherwise stated.

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