

28 April 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. Derivatives are used to manage the Trust efficiently.

## 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 was down 3.3% for the month of April, underperforming its benchmark which fell 0.88%. An underweight in the two strongest tech subsectors, semiconductors and communications, as well as some stock selection issues in those sectors, explained most of the shortfall.

April was a period of many earnings reports and forecasts, and though the vast majority of companies beat expectations for the first quarter, several of the high growth companies provided less favourable forecasts. Two of our holdings were affected by this situation, Successfactors and Riverbed. In both cases, we evaluated the situation and reduced our positions further. We had been, in general, cutting holdings in cloud computing companies where we believe expectations had become too optimistic. We also did not own two stocks that saw a better than expected trend in business, Intel and Ericsson, and we are re-examining those situations.

On the positive side, two of our Chinese holdings, Baidu and Sina, performed well. However, Longtop, a Chinese software vendor, and Netflix, a movie streaming service, declined as negative comments by short sellers hit the stocks. We are more optimistic in both cases than these reports and have continued to own those stocks.

We continue to expect solid growth in the technology space in 2011. We are encouraged by the record levels of cash at technology companies and decent liquidity in other industries, which supports a steady acquisition environment and continued investment in productivity. As the month ended, we had one of our holdings, Sunpower, benefit from a partial tender offer by an acquirer. On the other hand, we are concerned that expectations for many companies may have grown too high and as a result, we have continued to prune our portfolio of stocks where we think expectations are unrealistic. Going forward, we will be sensitive to valuation and market expectations. The market seems to have entered a period of de-risking portfolios, which is not uncommon during the summer months and as a result the Trust has bought some protection through the derivatives market against a moderate correction in the sector.

## Key Information

<b>Total Assets:</b>	£89.5m
<b>No. of Ordinary Shares:</b>	22,787,962
<b>No. of Subscription Shares<sup>2</sup>:</b>	4,590,415
<b>Ordinary Share Price<sup>1</sup>:</b>	347.5p
<b>Net Asset Value (Ordinary)<sup>3</sup>:</b>	392.8p
<b>Premium/-Discount to NAV<sup>3</sup>:</b>	-11.5%
<b>Subscription Share Price<sup>1,2</sup>:</b>	83.5p
<b>No. of Holdings:</b>	62

All data source RCM (UK) Limited as at 28.04.11 unless otherwise stated.

<b>Launch Date:</b>	December 1995
<b>Continuation Vote:</b>	2016
<b>AIC Sector:</b>	Specialist Sector: Technology, Media & Telecoms
<b>Benchmark:</b>	Dow Jones World Technology Index (Sterling Adjusted)
<b>Year end:</b>	30 November
<b>Annual Financial Report:</b>	Final posted in March, Half-yearly posted in July
<b>AGM:</b>	April
<b>Price Information:</b>	Financial Times, The Daily Telegraph, www.rcm.com/investmenttrusts
<b>Board of Directors:</b>	David Quysner CBE (Chairman), John Cornish FCA (Chairman of the Audit Committee and Senior Independent Director), Paul Gaunt, Richard Holway, Dr Chris Martin
<b>Investment Manager:</b>	Walter Price CFA, Managing Director, Senior Analyst, RCM A company of Allianz Global Investors
<b>Investor Services:</b>	0800 389 4696

<sup>1</sup>Source: Lipper as at 28.04.11, market close mid price.

<sup>2</sup>Please refer to Subscription Shares section on page 2

<sup>3</sup>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, cum-income NAV is shown.

## (Cont.)

Our view is that the world economy is not as strong as forecast and that spending expectations need to be lowered as a result of the budget challenges most governments face, the negative tax on consumers from a high oil price, and the attempt by the Chinese government to reduce the growth of inflation by rationing credit. At the same time, we believe valuations are not too high, and that many of the secular changes in technology are just getting started. Hopefully, we will navigate these opposing forces successfully.

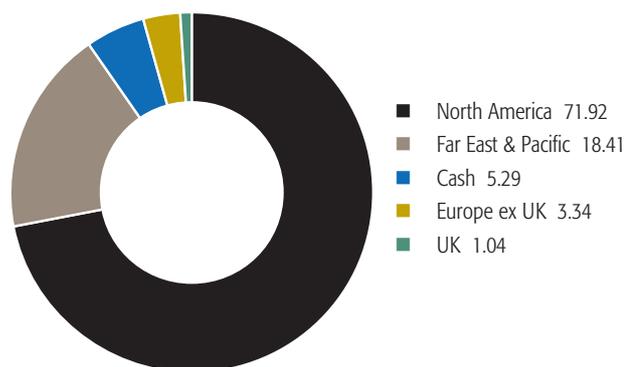
RCM (UK) Limited, 155 Bishopsgate, London EC2M 3AD

A company of **Allianz**   
Global Investors

## Top Ten Holdings (%)

Name	%
Google	4.7
Amazon	3.8
Apple	3.8
Baidu.com	3.7
Sina	3.6
Citrix Systems	3.5
SunPower	3.1
Ctrip.com	3.0
Netapp	3.0
Qlik Technologies	2.9
<b>Total</b>	<b>35.1</b>

## 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](http://www.rcm.com/investmenttrusts) or from the AIC at [www.theaic.co.uk](http://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](mailto: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	3.89	14.31	17.00	56.18	-
Benchmark	-2.34	6.87	3.47	33.13	-

### Standardised Past Performance (%)

From	31.03.06	30.03.07	31.03.08	31.03.09	31.03.10
To	30.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Share Price	-5.16	-6.77	-8.81	54.05	18.47

Source: Lipper, percentage growth, mid to mid, capital return, to 28.04.11  
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 28.04.11 unless otherwise stated.

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