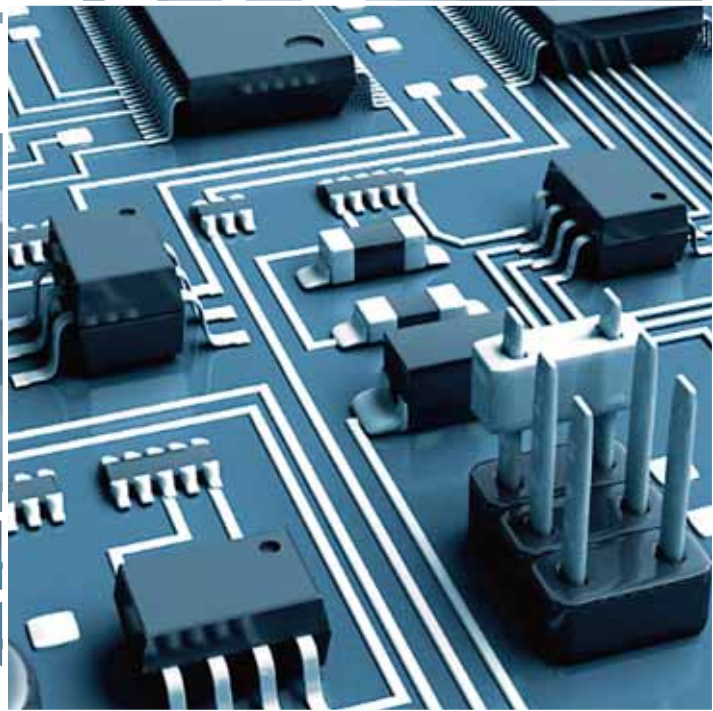


# RCM *Technology* Trust PLC

Capturing the imagination...




# Because technology *captures the imagination...*

From entertainment to manufacturing, from business to the environment, and from education to energy, technology has the ability to change lives on a global scale.



**An i- for innovation...**

A wave of innovation from Apple beginning in 1997 brought about a substantial reversal of the company's fortunes. The iPod became the dominant force in the nascent MP3 player market, but innovation has also brought success in mature sectors, with the iPhone capturing over 17% of the global smartphone market in less than 36 months<sup>1</sup>. Apple's cash reserves exceed \$34 billion – enough to buy outright the world's leading PC vendor, Dell, and still leave change<sup>2</sup>. And on the High Street, Apple's flagship store in Regent Street is the most profitable for its size in London, earning twice as much per square foot as Harrods<sup>3</sup>. Apple has been a successful holding in RCM technology portfolios.



**Thinking outside the box...**

When Amazon.com launched in July 1995, many questioned how its aggressive pricing model could be successful when faced with such complex logistics. Yet the company continues to gain market share against both offline and online retail, and in many ways has been the flag-bearer for e-commerce, changing the way people shop. The company's world-class inventory management system has supported the expansion of its product line into many new categories, as well as continued growth from its core offerings of books and music – fourth quarter 2009 sales were up 42% to \$9.5 billion<sup>4</sup>. Amazon.com has been a successful holding in RCM technology portfolios.

Many experts believe that we are about to enter a new era of growth for the technology sector. Key themes are emerging as a result of a unique combination of events:

- Developments in cloud computing, virtualisation and server realignment are gathering significant momentum within corporations looking to make savings and to boost efficiency.
- The phenomenon of e-commerce is accelerating rapidly as savvy consumers seek the best deals, especially in China where some companies are showing 100% growth year on year.
- Internet video and social networking are also beginning to hint at their true potential, whilst the video game industry continues to mature.
- Alternative energy is big business, including newly-affordable solar power and efficient batteries for electric and hybrid cars.
- Many key technology companies are also sitting on large cash reserves, with a resultant potential for value-enhancing merger or acquisition activity.

All of these factors emphasise the capacity for growth within the technology sector.

## **Technology risks**

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.

<sup>1</sup> Gartner: 11/09. <sup>2</sup> 247WallSt: 11/09. <sup>3</sup> Verdict research, 11/09. <sup>4</sup> Business Wire, 1/10.

# Because technology is a *specialist's pursuit...*

Whilst the potential rewards are considerable, the nature of the technology sector means that only a few companies will become tomorrow's success stories, some of which might be relatively small today. It takes an investment manager of experience and expertise to identify these opportunities.

## Experience

The award-winning RCM Global Technology Team is one of the leading portfolio teams in its field in the United States. Lead Manager Walter Price has over 35 years' experience in analysing technology companies, and has worked together with co-head Huachen Chen for two decades.

## Expertise

With technology, active management equals added value. From the birth of the PC to the arrival of the internet, the experienced RCM Global Technology Team has witnessed how only a few technology companies emerge as long-term winners from up- and downturns over the years, and has a track record of identifying potential.

## Location

Many of the key technology industry players are based in and around Silicon Valley in California - so that's where the RCM Global Technology Team is also headquartered. There's no substitute for first-hand knowledge, and we believe that the team's location at the hub of the industry's leading academics, engineers and venture capitalists enhances RCM's information advantage.

## Resources

Research is the cornerstone of RCM's investment philosophy. The RCM Global Technology Team is supported by over fifty global sector analysts, ten of whom focus purely on technology companies. These specialists are based in the US, Europe and Asia – extending a global reach which is ever-more important in the technology sector. This fundamental research is complemented by RCM's unique Grassroots<sup>SM</sup> Research resource (see opposite) – a crucial tool in identifying tomorrow's technology performers.



"we aim to use fundamental research to identify winners...

the small number of the many companies formed who will prosper and grow"

**Walter Price, Lead Manager**



**Allianz RCM Technology Fund (institutional) awarded Best Global Science/Technology fund over 10 years in the Lipper Fund Awards 2009**



## Why 250,000 interviews make us right for the job...

Grassroots<sup>SM</sup> Research is one of the investment industry's most innovative research facilities and is unique to RCM. Grassroots<sup>SM</sup> combines in-house experts with a global network of more than 250 independent investigators and over 50,000 industry contacts. Since 1984, Grassroots<sup>SM</sup> has conducted over 250,000 interviews with businesses and consumers on hundreds of wide-ranging subjects, helping us to identify market trends before our competitors.

# RCM *Technology* Trust PLC

The RCM Technology Trust PLC connects investors to the fast-moving world of technology, as well as to the experience and expertise of an award-winning team with a track record of identifying success stories within this sector over many years.

## **RCM Advantage**

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.

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.

## **CONTACT US**

If you have any queries regarding the trust, or if you would like to be added to our mailing list for Financial Reports or fact sheets, our Investor Services team can be contacted on:

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**website:**

**[www.rcmtechnologytrust.co.uk](http://www.rcmtechnologytrust.co.uk)**

## How to *invest*

The RCM Technology Trust PLC is a UK-based investment trust traded on the London Stock Exchange.

You can invest in the trust by purchasing shares through a stockbroker. Shares can also be held within an ISA and/or savings scheme and a number of suppliers offer this facility, including:

### **Alliance Trust Savings**

[www.alliancetrust.co.uk](http://www.alliancetrust.co.uk)

### **Charles Stanley (FasTrade)**

[www.charles-stanley.co.uk](http://www.charles-stanley.co.uk)

### **The Share Centre**

[www.thesharecentre.co.uk](http://www.thesharecentre.co.uk)

### **Barclays Stockbrokers**

[www.barclaysstockbrokers.co.uk](http://www.barclaysstockbrokers.co.uk)

### **HSBC (InvestDirect)**

[www.hsbc.co.uk](http://www.hsbc.co.uk)

Note: We are not responsible for the content and information on these websites. Source: The Association of Investment Companies as at 31 October 2008. Please note RCM (UK) Ltd does not make recommendations on where to buy investment trusts and is unable to provide financial advice. You are strongly advised that if you are unsure about the most suitable option for your needs that you should contact a financial adviser.

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. The information contained herein including any expression of opinion is for information purposes only and is given on the understanding that it is not a recommendation and anyone who acts on it, or changes their opinion thereon, does so entirely at their own risk. The opinions expressed are based on information which we believe to be accurate and reliable, however, these opinions may change without notice. 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.** RCM Technology Trust PLC is incorporated in England and Wales. (Company registration no. 3117355). Registered Office: 155 Bishopsgate, London, EC2M 3AD. VAT registration no. 678 1784 81. The Company is a member of the Association of Investment Companies - Category: Sector Specialists - Technology, Media & Telecoms. Issued by RCM (UK) Limited. Registered office: 155 Bishopsgate, London, EC2M 3AD. Registered in England No. 2014586. Authorised and regulated by the Financial Services Authority ("FSA"), ref. 122219. The FSA's address is 25 The North Colonnade, Canary Wharf, London, E14 5HS, website [www.fsa.gov.uk](http://www.fsa.gov.uk).